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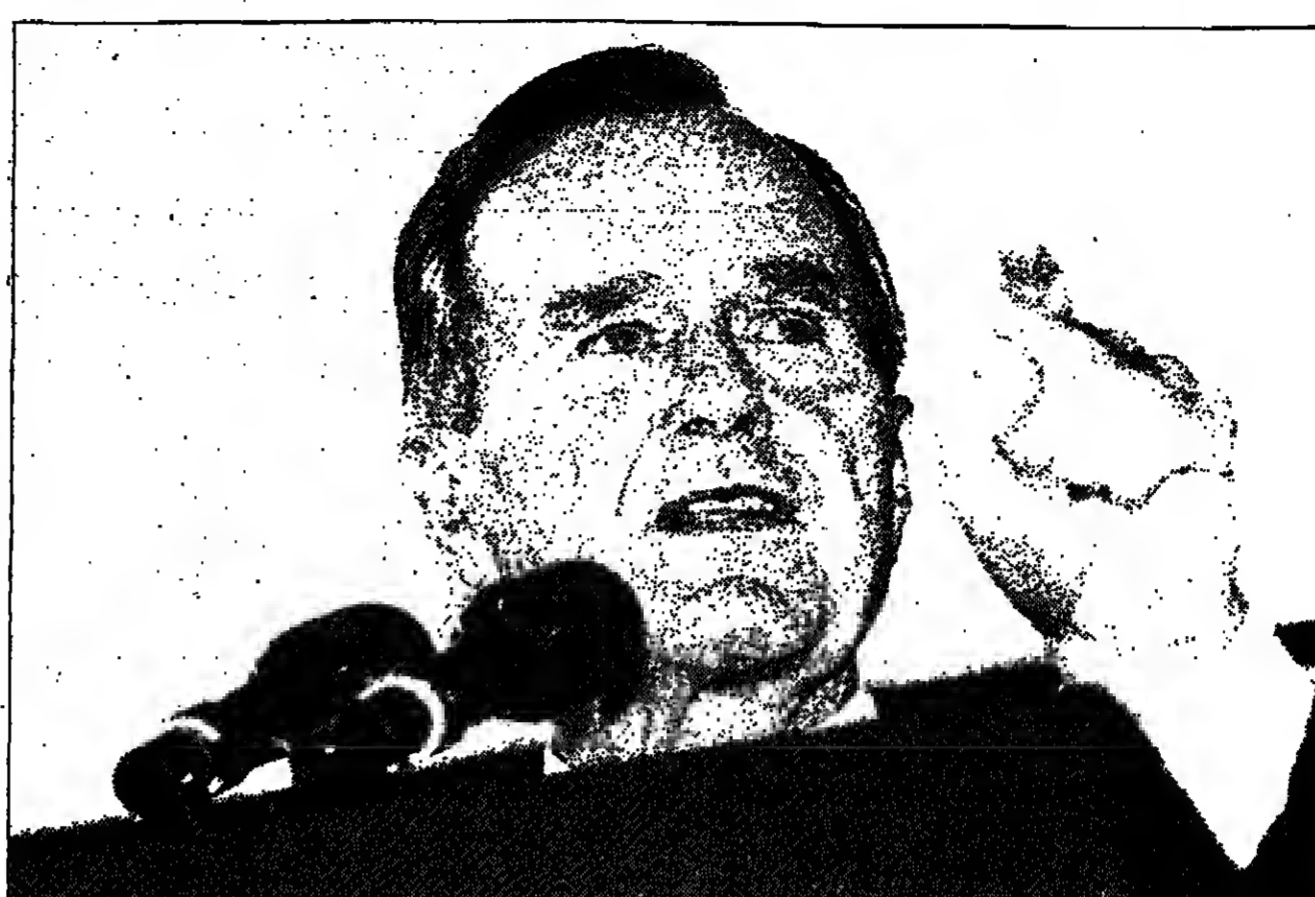
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President, Buoyed by Polls, Vows a Tough Campaign He Took Clinton Too Lightly, He Says

HOUSTON — Lifted by new poll results promising momentum in his race to catch Bill Clinton, President George Bush declared Friday that he was now ready for the challenge of a vigorous campaign to hold on to the White House. "I've got a big job on my shoulders," the president told Republican Party workers following the convention that re-nominated him. "But I really am ready for this. We've got a lot at stake." He made the comment after suggesting that he may not have taken Mr. Clinton seriously enough at the outset.



President Bush addressing members of the Republican National Committee in Houston on Friday, thanking them for their efforts.

Dollar Sinks To a Record Low Against The Mark

The dollar fell to a historic low against the Deutsche mark on Friday despite repeated rounds of intervention by 18 central banks, led by the U.S. Federal Reserve. The failure to stem a dollar crisis looms as a major embarrassment not only for the central banks, but also for President George Bush in his bid for re-election.

In U.S. Electoral Arithmetic, Bottom Line for Bush is the Economy Key Republican Strongholds Are No More

By Thomas B. Edsall and David S. Broder Washington Post Service HOUSTON — President George Bush left the Republican National Convention on Friday as commander of an army under attack from the rear. With the Democrats far ahead in California and challenging in much of the South, the Republicans must struggle to protect the seemingly impregnable electoral college base that yielded White House victories in five of the last six contests.

Fate, and Democrats, Keep Focus on Jobs

By R. W. Apple Jr. New York Times Service HOUSTON — When the Republicans arrived in Houston last weekend, the salient issue of the 1992 presidential campaign was the economy. And when they leave town this weekend, it will still be the economy.

So Mr. Bush had to grapple in his speech, and will have to grapple in his campaign, with the slowest growth rate since Herbert Hoover (a name the Republicans would love to banish from political discourse), with the president's broken promise not to raise taxes, and with the budget deficit. Fate did not help him. The biggest jump in more than a decade in the number of Americans filing for unemployment benefits for the first time was reported a few hours before the president walked onto the Astrodome podium.

Yeltsin Predicts Hard Times Will Give Way By Next Year

By Michael Dobbs Washington Post Service MOSCOW — President Boris N. Yeltsin predicted Friday that Russia would endure hard times this autumn, but said he was convinced that the country would get through the winter without hunger or a second coup. Addressing a press conference on the first anniversary of the failure of a coup attempt by hard-line Communists, Mr. Yeltsin said he expected some unprofitable state enterprises to go bankrupt over the next few months. He said that unemployment was bound to rise but would not reach Western levels.



STRIKE AND RESPONSE — Troops patrolling a Beirut street Friday, followed by an armored personnel carrier, as a strike to protest elections paralyzed Christian areas of Lebanon. The pro-Syrian government said voting would begin Sunday as planned.

Serbs' Swath of Bosnia: A Crazy Quilt of Chaos

By Chuck Sudetic New York Times Service BANJA LUKA, Bosnia-Herzegovina — In the months since Serbian forces began seizing huge swaths of Bosnia-Herzegovina, the territory under their control has become a patchwork of rival Serbian fiefs consumed by lawlessness and economic collapse. Stark images of violence and near-anarchy can be seen throughout this new self-declared country, which calls itself the Serbian Republic of Bosnia and Herzegovina and covers roughly two-thirds of what was once one of the republics of Yugoslavia.

Vietnamese in Cambodia Fear a Pogrom

By Philip Shenon New York Times Service TUK MEAS, Cambodia — Um Tral's mistake was to sing a song in Vietnamese. Neighbors in this hamlet near Cambodia's southern border with Vietnam say Mr. Um Tral's boisterous singing was overheard by a gang of perhaps 25 Cambodian soldiers. In a rage, many Cambodians say it is almost instinctive, the soldiers attacked with knives and guns, screaming, "Destroy the Vietnamese enemy!" Mr. Um Tral, 38, was eviscerated in the July 21 attack. Four of his nieces and nephews, ranging from 7 to 16, were shot to death at point-blank range. A young Vietnamese couple living nearby were also slain, along with their 7-day-old son. The killers have not yet been identified.

Kiosk Israel Dispute May Delay Peace Talks

JERUSALEM (AP) — The Palestinian delegation to the upcoming round of U.S.-backed peace talks postponed its trip to Washington on Friday because of a dispute with Israel over travel permit procedures. The move jeopardized plans for a resumption of the talks Monday. The decision was announced by Hanan Ashrawi, spokeswoman for the negotiating team, at a news conference in East Jerusalem. She spoke after a group of 28 negotiators, advisers and aides turned back from the Al-Naby Bridge, connecting the West Bank to Jordan, after being stopped by Israeli authorities for nearly three hours. Gad Ben Ari, spokesman for Prime Minister Yitzhak Rabin, said it was "an army matter."

Table with market data: Dow Jones (Down 50.79, Up 3.254.10), Trib Index (Up 2.17%, 93.95), The Dollar (New York, 1.429, 1.4475; DM, 1.955, 1.9395; Pound, 125.805, 126.48; Yen, 4.8595, 4.8155).

WORLD BRIEFS

UN Envoy to Leave Baghdad as Relief Talks Break Down

BAGHDAD — A UN envoy said Friday that he had not been able to complete a new agreement for relief operations in Iraq after five days of talks...

The head of the party's foreign relations bureau, Abdul-Ghani Abdul-Ghaffour, told INA the invitation was open to members of both parties in office and those in opposition.

The number of UN international aid workers in Iraq has dwindled to 76 from 600 in April. Only 121 UN guards remain in the country, compared with 500 under the old agreement.

There have been repeated attacks on UN guards in the Kurdish rebel-held north in the past weeks. Meanwhile, Britain said its stand on overflights would be unaffected by Baghdad's jailing of a Briton for a border violation.



Russian officials, led by an honor guard, paying respects Friday at the tomb of the three victims of the coup attempt a year ago.

YELTSIN: Russian Leader Predicts a Difficult Autumn, an Easier 1993

(Continued from page 1) "It," said Mr. Yeltsin. "They, the fools, the whole team, went with him." Mr. Yeltsin decided to stay behind in Moscow at the last moment.

Aftershocks Extend Farrow-Allen Feud

NEW YORK — The adopted children of Mia Farrow are beginning to turn against her former companion, Woody Allen, in advance of a custody battle complicated by charges of an illicit affair and child abuse on Mr. Allen's part.

Payments Scandal Spreads in Japan

TOKYO (Reuters) — More than 10 leading politicians in the governing Liberal Democratic Party received billions of yen from a trucking firm in Japan's latest funding scandal, the newspaper Asahi Shimbun reported Friday.

Tokyo to Get Bid for Cambodia Aid

TOKYO (UPI) — Yasushi Akashi, chief of the United Nations peacekeeping mission in Cambodia, told Japanese political leaders Friday that the UN will officially ask Japan to send troops to Cambodia at the end of this month.

17 Die in Ukraine Mine Explosions

KIEV (Reuters) — A series of explosions caused by a gas buildup ripped through a coal mine in eastern Ukraine on Friday, killing 17 people, officials said. An official said the dead at the Shokhynsk mine near Donetsk included two miners and 15 rescue workers.

Seoul and Beijing to Establish Ties

SEOUL (Combined Dispatches) — South Korea and China are ready to announce the establishment of diplomatic relations, signaling the end to four decades of hostility, a South Korean official said Friday. He said a joint statement was imminent.

UN Warns Libya of New Sanctions

TUNIS (Reuters) — The United Nations has told Libya that it must comply with the Security Council's Lockerbie bombing resolution or run the risk of tighter sanctions, a senior UN envoy said Friday.

Russian Refuses to Quit U.S. Academy

WASHINGTON — A Russian mathematician has refused to resign as a foreign associate of the National Academy of Sciences, which had asked him to quit because of his purported anti-Semitic writings.

More Photos of the Topless Duchess Feed British Uproar Over Monarchy

LONDON — British newspapers on Friday published more photographs of the Duchess of York, topless and entwined with a wealthy businessman from Texas, setting off additional condemnation of the former Sarah Ferguson and tilting the atmosphere surrounding the House of Windsor from circus to crisis.

For the Record

Strong aftershocks hit Uzbekistan on Friday, two days after a devastating earthquake killed at least 50 people in remote areas of neighboring Kyrgyzstan. The aftershocks struck Tashkent beginning at 3 A.M. and again a half-hour later, followed by smaller tremors.

TRAVEL UPDATE

KLM Royal Dutch Airlines said Friday that it planned to resume its twice-weekly flights to Zagreb, the Croatian capital, from Oct. 30. The flights had been suspended since November because of the fighting in former Yugoslav republics.

Advertisement for Abu Dhabi Duty Free. Features a large image of a credit card with 'Dh 500,000' written on it. Text includes 'Now, flying through Abu Dhabi could change your way of life' and 'Win Dh. 500,000* credit with the credit card of your choice'.

U.S. Backs Japan Plutonium Ship

WASHINGTON — The Bush administration has formally approved a plan to ship a ton of highly enriched plutonium from France for use in Japan's nuclear power program, officials said Friday.

The Weather

Weather forecast table with columns for Today and Tomorrow, and rows for various regions including North America, Europe, Asia, Africa, and Latin America. Includes a small map of the world.

FEARS: Cambodian Vietnamese Live Life on the Edge

(Continued from page 1) This month, Mr. Akashi announced election rules that could disenfranchise thousands of ethnic Vietnamese by requiring voters to prove that they were born here and have a Cambodian-born parent or, if they were born elsewhere, that they have both a Cambodian-born parent and grandparent.

Vertical text on the right edge of the page, including 'WORLD BRIEFS' and other page markings.

CAMPAIGN '92 / A CRUSADER'S AGENDA

ELECTION NOTES

For Quayle, No Place to Escape the Spotlight

HOUSTON — Patrick J. Buchanan was about to deliver his most memorable message, the line about how Bill Clinton "sat up in the dormitory in Oxford, England, and figured out how to dodge the draft." An amish producer at NBC News, who had an advance text of Mr. Buchanan's speech to the Republican National Convention, ordered the cameras trained on him.

As the Astrodome crowd erupted in cheers, Mr. Quayle sat stiff and expressionless, his eyes shifting to the left and right. The camera lingered. Mr. Quayle, whose own candidacy was being questioned by even the vice president a year ago, did not smile.

Even as the vice president wages an aggressive campaign to reintroduce himself to the electorate, the old demons, it seems, are lurking. He has been tested unlike virtually any other American politician, forced to spend four years chipping away at the devastating caricature created in the first week of his 1988 campaign. And even then, Mr. Quayle has given the country reason to take him seriously, he has said something, done something or spelled something that instantly revealed the progress.

Misfortune struck twice this week, producing smirking headlines. First he confessed the year of the next presidential election. "Let us see George Bush re-elected this November and then we'll talk about 1994," he said in a television interview. Then in a speech about term limits, he said: "This is not a bipartisan issue because Democrats, Republicans and independents support term limitations." (NYT)

Lawyers' Generosity to Party III Rewarded

HOUSTON — "First thing we do," Shakespeare wrote, "let's kill all the lawyers." George Bush and Dan Quayle do not advocate that far, but in speeches accepting their renomination they once more singled out the legal profession for attack, calling its practitioners the "tasseled loafer," "sharp lawyers running wild," principals in a system run amok with torts, torts and more torts.

Lawyers, apparently, don't mind. Far from it. As a profession they have been the top source of money for the Bush-Quayle campaign, outdistancing stockbrokers, doctors, bankers, manufacturers and oilmen, according to a computerized computation by the National Library on Money and Politics, a public policy group based in Washington.

(Reuters, AP)

Perot Drive Continues, at \$10 an Hour

NEW YORK — Petition-gatherers for Ross Perot were out in force in midtown Manhattan this week, part of the withdrawn presidential candidate's continuing effort to get his name on the November ballot in all 50 states. But the workers were not some of the thousands of volunteers who had labored for Mr. Perot around the country until he pulled out of contention last month. These workers were being paid \$10 an hour.

A Perot spokeswoman in Dallas said volunteers were still gathering petitions in eight states, including New York. "At this moment, Perot's on the ballot in 36 states," she said. "There are an additional seven states—actually those seven include the District of Columbia—that have turned in their petitions and are awaiting certification." The remaining eight states where petitions are still being gathered, she said, are New York, Wisconsin, New Mexico, Arizona, Hawaii, Louisiana, Mississippi and Vermont. She said she was unaware that petition-gatherers in New York were being paid, and said that none in other states was receiving money.

(NYT)

Quote-Unquote

President Bush, in his acceptance speech: "Now, I know Americans are uneasy today. There is anxiety talk around our kitchen tables. But from where I stand, I see not America's sunset, but a sunrise. I take heart from what is happening in America, not from those who profess a deep passion for government, but from those with an old and enduring faith in human potential. Those who understand that the genius of America is our capacity for rebirth and renewal. America is the land where the sun is always pecking over the horizon." (AP)

Away From the Hustings

- The California Assembly, in a major step toward resolving the state's budget crisis, passed and sent to Governor Pete Wilson legislation to give counties more freedom to cut health and welfare services to the poor.
 - A fire raged out of control in the Sierra Nevada foothills in California, leaving thousands of firefighters and evacuated residents hoping for a promised change in the weather that would lower temperatures and raise humidity.
 - A 35-year veteran of the Philadelphia Police Department, Richard Neal, was appointed to succeed Willie L. Williams as the city's police commissioner. Mr. Williams left the department in June to become police chief of Los Angeles.
 - A federal judge in Manhattan castigated the new leadership of the International Brotherhood of Teamsters, elected seven months ago on an anti-corruption platform, for opposing a larger government role in ridding the union of links to organized crime.
 - An early version of a tilt-rotor aircraft, similar to the larger, more advanced V-22 Osprey, crashed during a routine demonstration flight near Dallas, slightly injuring the pilot and co-pilot.
 - Sioux Falls, South Dakota, tops Money magazine's list of the best places to live mainly because of what it lacks: pollution, traffic congestion, violent crime, and state and city income taxes.
 - Lawyers asked a federal appeals court in Cincinnati to allow John Demjanuk, who is accused of being the Nazi death camp guard known as "Ivan the Terrible," to return to the United States if Israel rescinds his death sentence and frees him. An Israeli court is considering arguments that he was erroneously convicted.
- (LAT, NYT, AP, UPI, Reuters)

PRESIDENT: Buoyed by New Polls, Bush Promises a Tough Campaign ECONOMY: Focus Stays on Jobs

(Continued from page 1)
Midwest and South, where such appeals might be strongest.

Also edging toward the Republican column in larger numbers were wealthier voters, CBS said.

Still, just 39 percent of voters approved of Mr. Bush's handling of his job, and only 18 percent backed his handling of the economy, the poll found — about the same as last week.

The CBS poll surveyed 1,204 registered voters and had a margin of error of 3 percentage points, meaning actual results could vary by that much up or down.

The Hotline-Chronicle poll showed an erosion in Mr. Clinton's popularity rating and a gain for Mr. Bush in voters' eyes. It found that 45 percent saw Mr. Bush in a favorable light

while 52 percent looked at Mr. Clinton favorably. That compared to 41 percent for Mr. Bush and 56 percent for Mr. Clinton at the start of the campaign.

The Hotline-Chronicle poll was based on 1,000 interviews conducted Tuesday and Wednesday nights and had a margin of error of 3.1 percentage points.

"The trend says we're heading for a dead-end race," said Soug Bailey, publisher of the Hotline.

Robert Tenzer, a senior Bush campaign official, said the survey data he had seen was generally encouraging. "I think it's very positive but I don't want to overstate it," he told reporters.

In a speech to Republican leaders less than 12 hours after he accepted the party's nomination

for a second term, Mr. Bush said he may have "miscalculated" in not campaigning full-time earlier. But he promised to make up for it.

"We've got a message now to take to the American people," said Mr. Bush, before he left Houston for campaign stops in Mississippi and Missouri.

Using a theme he has put forward in the last few weeks, Mr. Bush said the Nov. 3 contest against the Democratic ticket of Mr. Clinton and Senator Al Gore of Tennessee is a "question of trust."

Mr. Bush came to town promising a political comeback the likes of which America has not seen since 1948, when the Democrat Harry S. Truman came from far back in the polls to defeat Thomas E. Dewey.

As for the economic reality, Mr. Bush apologized for signing the tax increase in 1990. But he made no apology for the recession.

Actually, there is precious little that Mr. Bush could do to prevent the recession or stimulate the economy, especially in the short run. So from that perspective, most economists do not hold Mr. Bush responsible for the weakness in the economy during his term.

Mainly, the economy has been stagnant because the country has been paying off debts accrued in the 1980s—the debts of companies, individuals and the government. The fact is, most economists agree, the prosperity of the 1980s was borrowed from the 1990s.

In Mr. Bush's term, fewer jobs have been created than in any other four-year term since World War II. More businesses have failed. Growth in after-tax personal income, adjusted for inflation, has been imperceptible.

Of course, Mr. Bush is not the only candidate with a vague economic program.

Governor Bill Clinton's proposals to cut the deficit are based largely on an exceedingly optimistic view of how much the economy will grow in the next few years. A large share of the additional revenue he hopes to bring in would come from foreign corporations who do business in this country. But they could withdraw their business in a way that might be devastating for Americans.

Still, Mr. Bush was simply wrong when he said Mr. Clinton was proposing the biggest tax increase in history, \$150 billion over four years. The tax law President Ronald Reagan signed in 1982 raised taxes by \$152 billion over four years.

And when the \$104 billion in tax cuts that Mr. Clinton is proposing are subtracted from his proposed tax increases, the net increase is less than the net \$107 billion tax rise Mr. Bush signed in 1990.

Bush Offers to Lead America to the 'Sunrise' of Prosperity

By Ann Devroy
Washington Post Service

HOUSTON — President George Bush, launching his come-from-behind campaign for a second term, summoned the nation to use the "unyielding, undying, undefeatable American spirit" that secured democracy's victory around the globe in a new "crusade" to secure peace and prosperity at home.

The president offered few new prescriptions for the ailing economy in a speech Thursday night accepting his renomination, but presented, instead, a broad "agenda" that he said showed he was for lower taxes, less government and less government spending while his Democratic rival, Bill Clinton, is for more of all of them. He said he would offer across-the-board tax cuts, spending reductions and a plan to reduce the debt during a second term.

Evoking one of the major problems of his first term, the breaking of his 1988 "read-my-lips" pledge to outlaw new taxes, the president offered a mea culpa. "When it comes to taxes, I've learned the hard way," he said, calling his 1990 agreement to increase taxes and limit spending a case of "bad judgment."

Mr. Bush sketched a broad vision for his next four years that linked his foreign policy successes to America's needs at home, that played off his wartime service and experience in wrestling with international crises to

raise doubts about Mr. Clinton's readiness for the Oval Office and to pose as the major question of the autumn campaign: "Who do you trust to make change work for you?"

"The world changes for which we've sacrificed for a generation have finally come to pass," the president said on the final night of the Republican National Convention. "And with them, a rare and unprecedented opportunity to pass the sweet cup of prosperity around our American table."

Mr. Bush opened his address with a description of how the world has changed since he became president, ticking off the fall of the Berlin Wall, the peace talks between Arabs and Israelis, the freeing of American hostages in the Mideast, the end of the Soviet Union, and then making a sarcastic reference to Mr. Clinton's admission of marijuana use. "If I had stood before you four years ago and described this as the world we would help to build, you would have said, 'George Bush, you must be smoking something. And you must have inhaled!'"

Linking those changes to a nation now free of the fears of nuclear war and free to pursue prosperity at home, Mr. Bush defended his concentration on foreign policy.

"I seized those opportunities for our kids and our grandkids, and I make no apologies for that," he said.

Referring to the Gulf War, Mr. Bush spoke of the risk of "wolves in the woods" that remain a threat and ridiculed statements made by Mr. Clinton when Congress was considering Mr. Bush's call to war.

"While I hit the bullseye, he bit his nails," Mr. Bush said.

Mr. Clinton's policy, he said, "can be summed up by a road sign he's probably seen on his bus tour, 'Slippery when wet.'"

Mr. Bush said the "defining challenge of the '90s is to win the economic competition, to win the peace." He said the Republican plan for doing that was open markets for American products, lower government spending, tax relief, help for small business, legal, educational and health reform, and job training.

On the economic front, he said he would propose tax cuts, but did not specify for whom or how much, and proposed one new idea, allowing taxpayers to specify on their tax returns that up to 10 percent of their taxes go for debt reduction alone. To make up the lost revenue, he would require that for every tax dollar saved to cut the debt, ceilings on federal spending would be lowered, forcing less government spending on programs.

The president ticked off the tax proposals he has sought and failed to get from Congress, from the reduction in capital gains taxes to an increase in the personal exemption.

Mr. Bush also made the case for a Republican Congress to break the "gridlock" he says keeps him from getting his programs approved. "I know Americans are tired of the blame game," Mr. Bush said. "I don't like it either. Neither should you. But the truth is the truth. Our policies haven't failed, they haven't been tried."

He warned that if the voters put a Democrat in the White House to match the Democratic Congress they would produce a "dangerous combination"—a rubber-check Congress and a rubber-stamp president.

In ending, Mr. Bush spoke of the nation's uneasiness and anxiety about the future, but said, "From where I stand, I see not America's sunset, but a sunrise." And he made his appeal. "I ask you to consider, now that the entire world is moving our way, why would we want to go back their way?"

Mr. Bush was preceded on the podium by Vice President Dan Quayle, who again sounded his primary theme of the campaign: that a "cultural divide" separates Republicans from Democrats and that Republicans represent the right values.

"The gap between us and our opponents is a cultural divide," he said. "It is not just a difference between conservative and liberal; it is a difference between fighting for what is right and refusing to see what is wrong."



Vice President Quayle exhorted the convention. "The gap between us and our opponents is a cultural divide," he said. "It is not just a difference between conservative and liberal; it is a difference between fighting for what is right and refusing to see what is wrong."

For Conservatives, Convention Focus Was Internal Split

By E.J. Dionne Jr.
Washington Post Service

HOUSTON — The 35th Republican National Convention pitched over some of the divisions threatening the coalition that Ronald Reagan built, but it also highlighted growing differences among conservative factions over doctrine, policy and basic values.

Most striking about this week's gathering is that many of the fights could not be understood by the now-outdated notion of a party divided between "conservatives" and "moderates." These were a series of internecine conflicts among conservatives, all of whom see themselves as the heirs to Mr. Reagan and who own dominate the party.

At stake was which version of conservatism President George Bush would carry into the fall campaign and, by extension, how conservatism would be defined in the 1990s.

Many conservatives here argued that this week's skirmishes were only the beginning of a much longer battle.

Jack F. Kemp, the secretary of housing and urban development, only half-jokingly offered a long list of different kinds of conservatives, including "neo-conservatives, populist conservatives, bleeding-heart conservatives, progressive conservatives and fiscal conservatives."

For Mr. Bush, these were not just matters of academic interest. The tension revealed in platform debates and, to a lesser extent, at the convention demonstrated what can happen to a coalition when the economy goes bad and its members have an opportunity to focus on their differences instead of their agreements.

Even under Mr. Reagan, the conservative alliance included an array of groups that might as easily battle each other as vote together. The clearest fault line was between well-to-do social moderates and less well-off social conservatives. With economic growth, the coalition bled together reasonably well. But without prosperity as a lubricant, the gears of conservatism began to grind. The result was the mixed messages of this week as organizers sought to appease conservatism's different wings.

Happiest with the outcome were religious conservatives. Partisans of the Christian right not only flexed their muscles organizationally and had power over the party platform beyond their numbers, but also saw the Bush campaign adopt one of their favorite themes, "traditional family values," as a rallying point for the fall campaign.

But many other conservatives—not to mention the party's remnant of moderates—were uncomfortable with the steady stream of attacks against homosexuals, "radical feminists," "alternative lifestyles" and Hillary Clinton, the wife of the Democratic nominee.

Governor William F. Weld of Massachusetts, who supports both homosexual rights and abortion rights but is fiercely conservative on taxing and spending, was critical of the attacks. Mr. Weld was especially outspoken on abortion, offering this summary of his brand of libertarian conservatism: "I want the government out of your pocketbook," he said, "and your bedroom."

"Family values" is not a new conservative theme. Republicans have used it before, especially to decrease their disadvantages among female voters by rallying support among tradition-minded women, and especially mothers who are out in the work force. But its importance at this convention as a battering ram against the Democrats reflects the right's groping for new issues—and new enemies—now that the Soviet Union no longer exists and foreign policy no longer plays such a large role in most voters' electoral assessments.

The issue's prominence also reflected the Bush campaign's efforts to "capture the right wing."

Clinton's View: Bush Tax Pledge Is 'Fool's Gold'

Washington Post Service

DETROIT — Trying to move the campaign dialogue back to what he considers his strongest territory, the American economy, Bill Clinton said Friday that President George Bush failed to present a domestic strategy during his acceptance speech and instead promised only what his Democratic challenger called "the fool's gold" of across-the-board tax cuts and reductions in capital gains taxes.

"Those promises are false and will betray us. In the words of the man who started it all, there they go again," Mr. Clinton told the Economic Club of Detroit, borrowing a phrase that Ronald Reagan once used to discredit Jimmy Carter.

"We've heard it all before," he said. "We've tried it all before. It's read my lips all over again. Except this time we can read the record."

With his lead diminished in the polls, Mr. Clinton mounted a counterattack against Mr. Bush on the start of a three-day trip along the industrial rim of the Great Lakes.

He contended that Republican speakers in Houston lied about his tax record as governor of Arkansas and distorted his federal tax and health care proposals while offering "no agenda, no strategy, no vision—nothing to say about creating jobs in America."

VOTES: Republicans Find the State-by-State Equation Is Different in '92

(Continued from page 1)

There are two major developments that have changed the state-by-state equation this year.

The first is the strong tilt toward Mr. Clinton in California, a state that has voted Republican in every election since 1964.

The second is the breakup of the solid Republican South, aided by the all-southern ticket of Mr. Clinton, of Arkansas, and Senator Al Gore, of Tennessee. Arkansas has 6 electoral votes, Tennessee 11.

"This time the electoral college favors the Democrats," said Richard Wirthlin, who was Ronald Reagan's poll-taker and the survey specialist for the Republican Party from 1981 to 1988.

While Mr. Bond and Charles Black, a senior party adviser, contended that Mr. Bush has no intention of writing off California, Mr. Wirthlin declared: "I am 99 percent sure Bill Clinton will carry California."

The uphill struggle facing Mr. Bush has forced campaign organizers to focus as much on issues of special importance to specific states and regions as on broad national themes.

In such major antismoking areas as in Detroit and St. Louis, for example, the Bush campaign plans to make the case that environmental standards backed by Mr. Gore would cost thousands of jobs. In Oregon (7) and Washington state (11), Bush strategists plan to make the case that the "environmental extremism" of the Clinton-Gore ticket would place a far higher priority on saving the northern spotted owl than on preserving jobs in the timber industry.

If the Bush campaign agrees with Mr. Black that California is winnable, Mr. Black said the campaign would attempt to use a tough work-force proposal on the ballot as a wedge issue. Mr. Bush expects to back the currently popular initiative, which is supported by the

state's Republican governor, Pete Wilson, and Bush strategists are hoping that Mr. Clinton will be under pressure by liberal interests to oppose the ballot issue.

The weakness of the Republicans going into the campaign has been compounded by the undermining of the party's Southern base in presidential races. Following the convention, Mr. Bush was continuing to campaign in Texas over the weekend.

"Texas is crucial," one Bush adviser said.

Governor Carroll A. Campbell Jr. of South Carolina, the chairman of the Southern region for Mr. Bush, warned that the president could have trouble in two traditionally conservative states: Georgia (13) and Louisiana (9).

In the South, Bush organizers are concerned that what evangelists and born-again Christian voters have not returned to the Republican Party in large enough numbers, and a Bush campaign official said

this is the part of the country where Republicans plan to emphasize the issue of homosexual rights heavily.

Even Florida, which has been trending firmly toward the Republicans in presidential elections, is not yet secure for Mr. Bush, and Democrats have mixed feelings about putting up a fight in the rapidly growing state.

Some of the Western and Plains states—a second Republican presidential session—are considered more secure for Mr. Bush than the South. These include Utah, which has become the most Republican state in the nation, Idaho (4), Wyoming (3), Arizona (3) and Nevada (4), along with Alaska (3), Nebraska (5), North Dakota (3) and Kansas (6), all small states that strategists in both parties consider likely to remain in the Republican fold.

At the same time, however, Montana (3) and New Mexico (5) are described as competitive by both sides, and Colorado (8) appears to be leaning Democratic.

But the Republicans are casting their "family values" nets even more widely than that.

Sometimes people can be persuaded to view life through a soft lens and vote for a nostalgic image they never knew. The Republicans and Mr. Bush tried for that this week, betting that the country longs for and identifies with the traditional family the way it longed for and identified with a Hollywood version of small-town America in the Reagan years.

Mr. Quayle evoked both Thursday night, as did Barbara Bush on Wednesday night, surrounded by children and grandchildren.

If that makes people forget their economic woes, or assign them a lower priority, the president may benefit. But it is easy to overdo the social-issue approach.

Data from the polls suggest that most voters, even if they do not approve of homosexuality, think

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INTERNATIONAL Herald Tribune

Bush Delivers a Sketch

With Republican cheers ringing in his ears, President Bush on Thursday night made two requests of America. The first concerns the peace that has welled up across the globe during his four years in office. George Bush has done much to manage and advance this process. For that, he asks — and deserves — America's admiration.

Even granting all that, however, the president has yet to win public confidence in the way he proposes to conduct the transition to the next span of history. What he said Thursday invites more skepticism than confidence. For two years the president has been haunted by his six most famous words, emphatically uttered just four years ago, when he accepted his party's nomination the first time: "Read my lips. No new taxes."

Russia's Ambitious Sale

President Boris Yeltsin clearly has several urgent purposes in announcing the next ambitious stage of privatizing Russia's economy. He wants to lift public morale and give people tangible evidence of progress. He wants to respond to foreign leaders who have been drumming on him to proceed quickly. Most important in the long run, he wants to get new and better management into state-owned enterprises sunk in confusion and debt.

who do not want stock can sell to those who do. The government hopes that, as in the West, groups of shareholders will emerge with enough power to hire and fire managers. One drawback is that it all takes time in a country where production is falling steadily. Foreign ownership is another difficult choice. If foreigners come in to buy vouchers and take over enterprises, they bring not only capital but technology and merchandising experience that former Soviet factories are going to need. But the government has to be prepared for the charge that it is selling off the country's wealth to outsiders — a particularly uncomfortable charge if the new management's first act is to fire unneeded employees.

Brazil Deserves Better

The Western Hemisphere's second-largest country is in an upsurge. Fernando Collor de Mello, Brazil's first freely elected president since the 1960s, is accused of widespread corruption and faces impeachment. To stay in office he is recklessly dispensing patronage, despite surging inflation and international commitments to austerity.

who rode to office on a promise to root governmental corruption. The congressional findings are expected to be highly critical of Mr. Collor. Impeachment requires a two-thirds vote. With no large party of his own, he is shopping for support. His ministers have even begun to solicit requests for new spending. This fiscal binge comes as Brazil has begun to work back international financial credibility despite a foreign debt of \$123 billion, the developing world's highest, and an inflation rate close to 250 percent, the highest in Latin America.

Other Comment

Russia: Fears of Rougher Days

Just a year since the aborted coup in Moscow and with the northern autumn less than a month away, predictions of a long hard winter for the Russian people have resurfaced. Their effect is diminished, since similar warnings dominated the past two autumns. That is unfortunate. The Moscow of Boris Yeltsin is talking on similar trappings to that of Mikhail Gorbachev. Mr. Yeltsin's achievements since his appearance on top of a Soviet tank 12 months ago are considerable. Unfettered prices, deficit cuts and free enterprise are impressive developments in what was so recently a centrally controlled economy.

dissatisfaction in the streets, his vice president, a vocal critic of the government, leads Mr. Yeltsin to public trust. Under the circumstances, a year on from the rejection of old-guard aspirations, Mr. Yeltsin needs Western help more than ever. Otherwise, predictions of a winter of discontent may be self-fulfilling. — The New Zealand Herald (Auckland).

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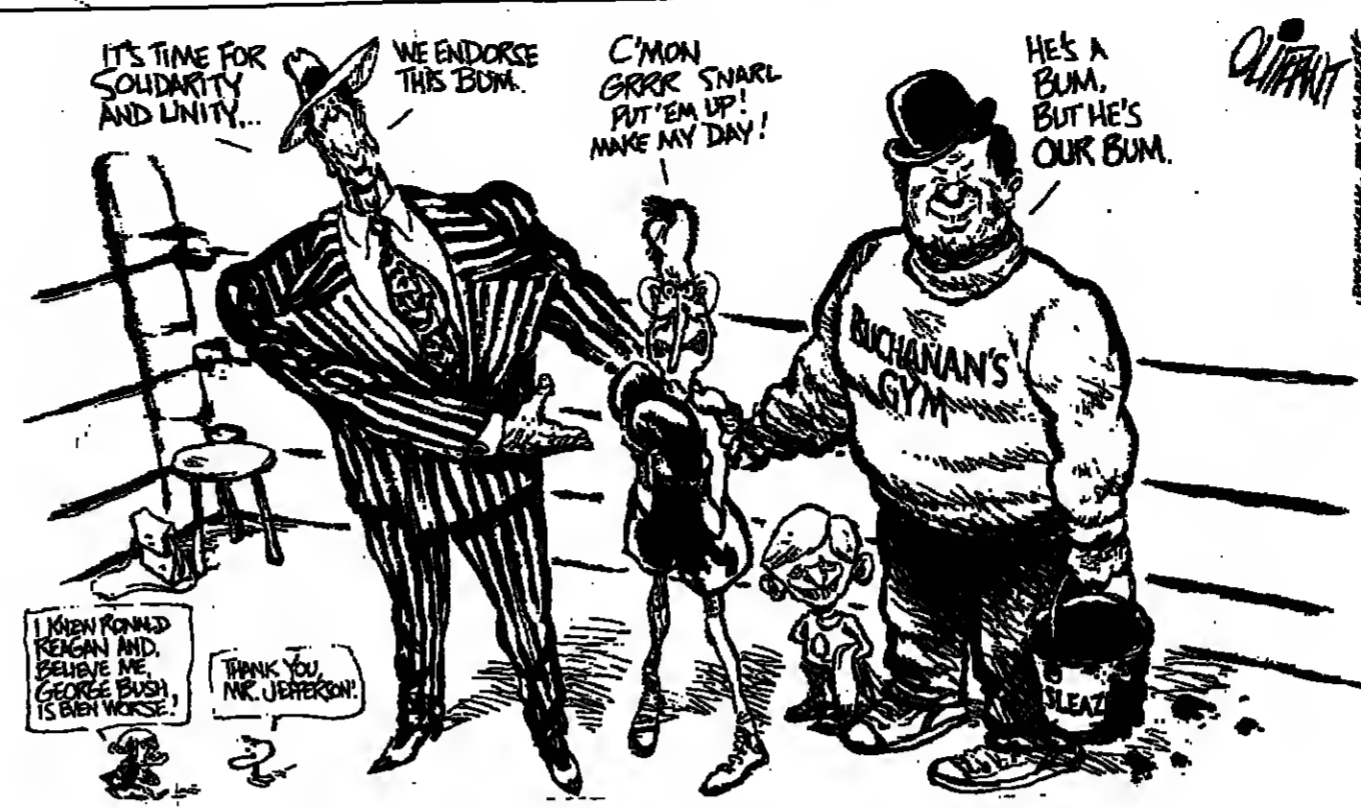
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Intolerance Ruled a Mean-Spirited Affair

By Anthony Lewis

HOUSTON — "GOP Needs a Kremlin to Bush," the lead headline in the Chicago Tribune said the day before the convention. It stated the seeming dilemma of a Republican Party that for 40 years had made a theme of denouncing the Democrats as soft on communism.

The 1964 Republican Convention, which nominated Barry Goldwater, has until now been regarded as the angriest in its time. Delegates shouted down Nelson Rockefeller and attacked the press. But Mr. Goldwater is a moderate compared with those in charge now. In fact the former senator opposed the party's 1952 position on abortion as politically disastrous.

new economic idea: the supply-side miracle. The government would cut taxes, increase spending and balance the budget. The result has been to push the world's richest country toward bankruptcy, and to leave the average American earning less in real terms than he or she was 12 years ago.

The Economic Dice Just Haven't Rolled for Bush

By Robert J. Sammelson

WASHINGTON — You might say that George Bush is unlucky in economics. Except for the faltering economy, he would surely be the strong favorite to win re-election. Instead, he is struggling as the underdog. The irony is that presidents are judged so heavily on the economy's performance when they can do so little to control it.

In recent recessions, about half of job losers were on layoff. They expected to return to their companies once the economy improved. In the past two years, only 15 percent of the job losers have been on layoff. Most of them were fired. They have needed to find new jobs and, maybe, new careers. This erosion of job security, even at such giants as General Motors and AT&T, scares people with jobs who may never lose them.

Democratic remedies. But neither can transform the economy rapidly. No, lower tax rates did not cause economic growth in the '80s. Indeed, both tax rates and growth were higher in the 1960s. This doesn't mean that lower tax rates and a simpler tax system aren't superior to high tax rates and a more complex system. But the benefits are long-term.

The Case Against Western Intervention in the Balkans Is Clear

By Josef Joffe

MUNICH — When the French offered to send 1,100 troops to Sarajevo, an eminent German defense official said off the record: "Great! And who is going to supply the other 89,900 men?"

righteousness is never enough to move nations to shed their own blood on behalf of others. Yes, I am obliged to stop the mugging, but only at an acceptable risk to my own life and limb. Statesmen's moral choice is tougher still. When they ask their young to die, there must be a compelling interest. This is why the West went to war against the

The point is that firepower, no matter how huge, cannot rearrange ethnic jigsaw puzzles. If we go in, how and when do we get out? And if we go in to teach the murderous Serbs a lesson, are we prepared for repeat performances in the civil wars of the former Soviet Union? This is why those "other 89,900 men" will not be found. To will the

1917: Alices Forge Ahead

PARIS — All the principal fronts of the great war, save the Russian, are settling with activity, with the French, British and Italian armies forging ahead. The German forces are everywhere on the defensive, making desperate, futile efforts to stem the tide. The glorious army of Verdun yesterday [Aug. 21] conducted its victorious drive. General Cadorna's wide-front offensive,

launched in suspicious synchronism with the French attack, also continues with success. Meanwhile British troops are following up their methodical offensive operations, notably round Lens, where the fall of the mining center appears imminent.

PEARL HARBOR — [From our New York edition:] United States marines have destroyed a Japanese seaplane base in a hit-and-run raid on one of the Gilbert Islands and have smashed an enemy counter-landing in the Solomon Islands by killing all but 30 of 700 Japanese soldiers. Admiral Chester W. Nimitz, commander of the Pacific Fleet, announced today [Aug. 21]. With Major James Roosevelt, eldest son of President Roosevelt, second in command, the marines landed on Makin Island, northmost of the Gilberts, and killed at least 80 Japanese, demolished a seaplane base, radio installations and military stores.

Fantasies Won't Cure These Ills

By John Judis

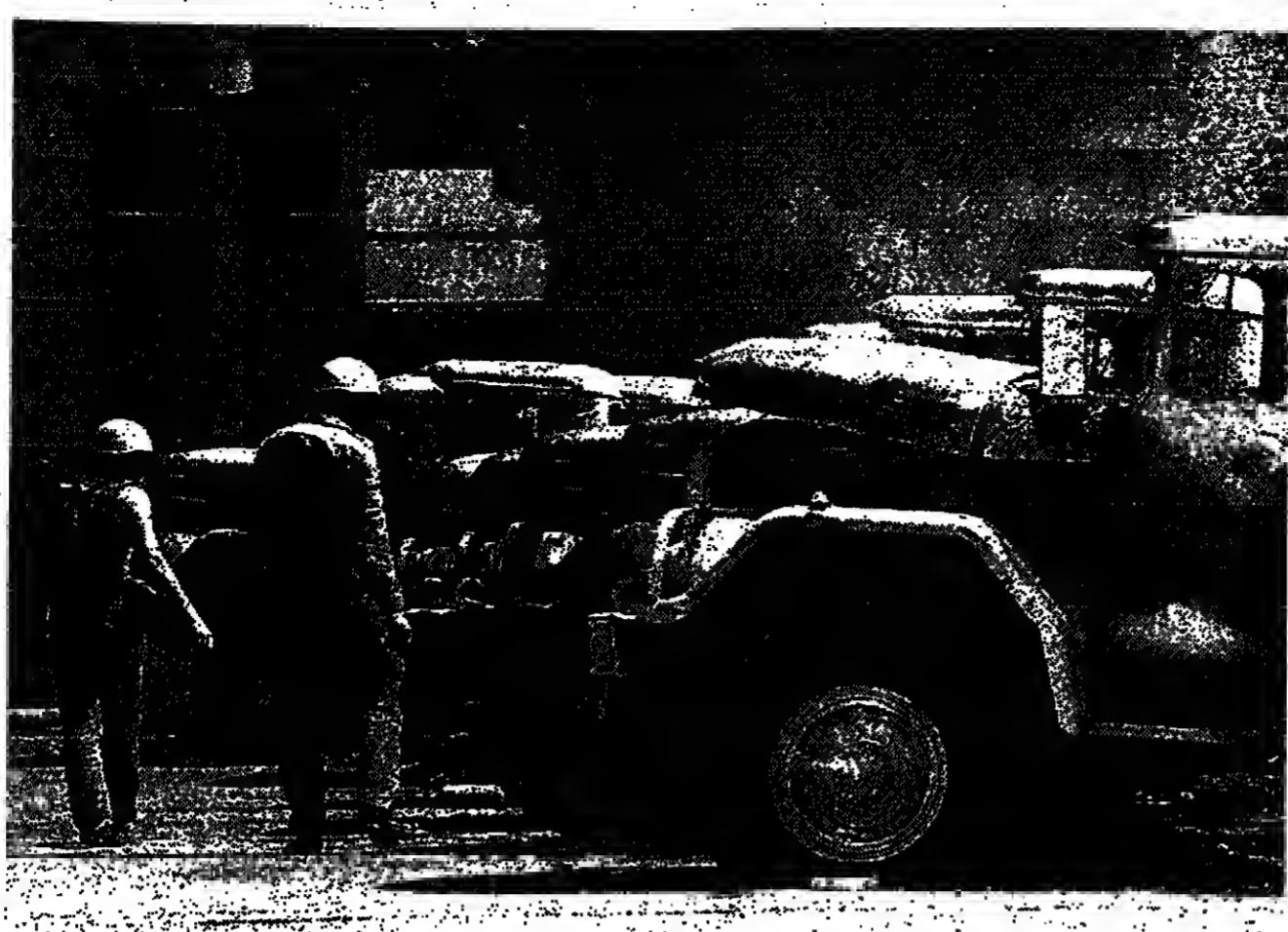
KENSINGTON, Maryland — Since Operation Desert Storm, George Bush, invoking the famous phrase of Henry Luce, has boasted of a "Next American Century." At the Republican National Convention, Ronald Reagan and Jack Kemp took up the theme. Mr. Reagan, noting that his own life had coincided with the "American Century," attacked "fanatics and finger-pointers who are down on us as a nation" and promised "America's best days are yet to come."

But America's situation is now almost reversed. Trade and budget deficits aside, the United States trails Japan and Germany in consumer electronics, robotics and many other critical industries of the 21st century. The United States is at the end rather than at the beginning of its century. Mr. Bush and the Republicans seem to be the only ones who don't understand. They act as if the United States could pursue the same strategy in 1992 that it did in 1942 or 1962. Mr. Bush, who spoke of the "American Century" and the defeat of "Baghdad bullies" in a speech to disabled veterans earlier this month, has continued to identify America's international standing with its military might. Like Mr. Reagan, he has limited his economic policy to championing tax breaks for the wealthy at home while using American power and diplomacy to open foreign markets and to guarantee cheap imported natural resources.

The writer is author of "Grand Illusion: Critics and Champions of the American Century." He contributed this column to The New York Times.

Mortars Kill 6 in Heavy Shelling Of Sarajevo

Compiled by Our Staff From Dispatches SARAJEVO, Bosnia-Herzegovina — Mortar bombs crashed down on central Sarajevo on Friday, killing six people, as a power blackout and bread shortage gripped the Bosnian capital following the heaviest bombardment in a month. Five mortar shells landed between the Bosnian government building, which was set ablaze in fierce fighting on Thursday, and the city's central market. Fighting also raged in other parts of the former Yugoslav republic. The Sarajevo bombardment began late Thursday, apparently with Serbian gun batteries retreating for Muslim sniper fire. The Ministry of Health reported that 34 people had been killed and 207 wounded across Bosnia in the previous 24 hours. That included 10 dead and 88 wounded in Sarajevo. In the shelling Thursday night, the main hospital was hit, as were the parliament building and the presidency. Both buildings caught fire. Sarajevo has been crippled by power cuts. Its only bread factory has dropped production to 25,000 loaves a day from 82,000, creating long lines and short tempers among city residents desperate for food. "We have had no electricity for three days and we are firing our ovens with diesel fuel, but we don't have much of that either," said Kemal Mesak, the factory sales director. "If this continues for the next few days, we will have many problems in the city." Lines at the factory, which had been models of civility for weeks despite the constant threat of sniper and mortar fire, turned ugly on Friday as people stood for hours waiting to buy bread, pushing and shoving when a few loaves appeared. Armed police restored order, although no guns were drawn. Much of the beleaguered city has been without power in recent days as power lines and substations have been damaged in the Muslim-Serbian fighting. Repairs are made at great risk to local crews, who are often fired upon even when escorted by UN armored personnel carriers. The bread factory has backup diesel generators, but the city has a severe fuel shortage as well. The war in Bosnia has claimed at least 8,000 lives — U.S. Senate investigators say 35,000 — since Muslims and Croats voted on Feb. 29 for independence. Serbs, who opposed independence and what is known as the "cleansing" of Bosnia, have seized about two-thirds of Bosnian territory. In London, British officials said all faction leaders from the former Yugoslavia have agreed to attend peace talks in London next week. Those planning to attend include the Serbian president, Slobodan Milosevic. There had been doubts about the attendance of Mr. Milosevic and of the Yugoslav prime minister, Milan Pucic, but a Foreign Office spokesman said they had agreed to come to the talks, which begin Wednesday. The spokesman said all delegates to the conference would be seated behind individual rather than national nameplates. The European Community peace negotiator Lord Carrington had already received assurances from the Croatian, Slovenian, Bosnian and Macedonian leaders that they would come to the talks. Mr. Milosevic and Montenegro's president, Momir Bulatovic, did not attend talks on the former Yugoslavia in Brussels last week but subsequently accepted Lord Carrington's invitation, the spokesman said. Delegations from the United Nations, the European Community and the Conference on Security and Cooperation in Europe are also expected to attend. (Reuters, AP)



Members of the UN peacekeeping force Friday taking in the damage to trucks hit by mortar fire in their barracks in Sarajevo.

By David Binder New York Times Service WASHINGTON — The United States will press next week for tightening sanctions against Serbia and Montenegro and for the creation of a more durable international negotiating "mechanism" aimed at ending the Balkan conflict, according to Lawrence S. Eagleburger, deputy secretary of state. In an interview, Mr. Eagleburger, who will take over the State Department as acting secretary on Sunday, said he would bring both proposals to a conference in London that begins on Wednesday. [Greece on Friday suspended fuel exports through its northern border, to silence critics who contended that it was breaking the UN embargo. The Associated Press reported from Athens. Prime Minister Constantine Mitsotakis said after a cabinet meeting that supplies to the former Yugoslav republics of Bosnia-Herzegovina, Croatia and Macedonia, and countries north of them, would resume only after the European Community found a way to monitor the embargo. [Greek refineries are major suppliers of petroleum products in the Balkans. In recent days, some European news organizations and politicians have charged that Greece was breaking the embargo.] In June, the United States joined other members of the United Nations in imposing economic and political sanctions against Serbia and Montenegro, which are viewed as the supporters of Serbian aggression in Bosnia-Herzegovina. "I think we have to do what we can to tighten down the sanctions," Mr. Eagleburger said. "I hope we'll get agreement at the conference on that." The resignation of Secretary of State James A. Baker 3d is effective Sunday, when he will become White House chief of staff, and Mr. Eagleburger will serve as acting secretary at least until the presidential election on Nov. 3. The sanctions against Serbia and Montenegro followed a UN Security Council resolution condemning the two republics, which now constitute federal Yugoslavia, for aggression against neighboring Bosnia-Herzegovina. According to State Department assessments, the sanctions have begun to bite in Serbia and

U.S. to Seek Tighter Sanctions on Serbia

Montenegro, but loopholes remain, especially along Serbia's frontier with Romania, a major part of which runs along the Danube. The United States has begun discussions with Romania about dispatching U.S. technical personnel to monitor shipping on the Danube and other border traffic to prevent evasion of the embargo, particularly shipments of oil. Serbia produces about 15 percent of its own petroleum needs. Of the London discussions, Mr. Eagleburger said: "You cannot expect and should not expect that this conference is going to end the war. But what we can do is something that deals with it on a day-to-day basis more directly." "The thing I hope for the most," he added, is agreement on "an establishment of some sort of permanent mechanism." He described this as "a mechanism that there every day to try to deal with this issue, to pursue negotiations for peace." He said that he could not provide more details about the mechanism, but that it would set up a permanent negotiating staff and location under European or UN auspices to serve as a forum for ending the war and resolving the political disputes that led to it.

In De Klerk's 'New' Nation, Vital Element Is Still Missing

By Bill Keller New York Times Service PRETORIA — In the last few weeks, President Frederik W. de Klerk has begun to sound like a man who, unable to budge a stalled train, climbs into the cab and makes locomotive noises with his sides beller. "All aboard!" He creates the impression that the new South Africa is, any minute, about to pull out of the station, the government has flirted ostentatiously with the political fringes, including black nationalists of the Pan-Africanist Congress and Afrikaaner nationalists who have defected from the Conservative Party. Cabinet members have proclaimed — joyously and, it turned out, prematurely — that they were near agreement with black leaders on a general amnesty that would forgive past crimes, free political prisoners and put constitutional negotiations back on track. United Nations observers, once viewed as unwelcome interlopers, have been invited to come see the country off to its bright future. On Thursday, Mr. de Klerk was at the steam whistle again, announcing a conference in September at which "a number of parties" will discuss such issues as election rules and the powers of regional governments under majority rule. But so far, all his efforts have failed to accomplish the one thing that might actually get the train moving: the African National Congress, the main representative of black aspirations, back on board. Supporters of the government say the stalemate continues because the ANC is paralyzed by internal divisions between centrists eager to resume talks and radicals bent on showing their muscle. Supporters of the ANC say it is because Mr. de Klerk has spent his time trying to outsmart black leaders and upstage them in the world's opinion, rather than understanding their political needs. The consensus of South African political pundits is that talks will resume in the next month or so. The talks stalled in May over the balance of power in a future government, and broke off in June because of mounting violence in the black townships. By all accounts, neither side has an alternative. The longer the ANC delays, the longer it remains out of power. And even the more militant members of the group's "patriotic front," which includes trade unions and the Communist Party, do not believe civil disobedience or guerrilla force can topple the well-armed white government. The government, for its part, knows that until it negotiates a stable settlement agreeable to the ANC, foreigners will refuse to invest here, whites will keep

NEWS ANALYSIS

their bags packed and the country's economy, not to mention its morale, will continue to atrophy. Once the talks begin again, the optimists say, the country should move quickly to an interim government and elections for a multiracial legislature. In this period of public posturing, many key differences have been narrowed on how to move to democracy. Moreover, the presence of UN observers, who helped avert bloodshed during the ANC's days of strike and protest two weeks ago, will give black leaders greater confidence in the honest transfer of power. The question is, how to get started again. The same government circles that Nelson Mandela, president of the ANC, is entering to mill-

U.S. and Kenya Resolve Dispute, Clearing Way for Somali Aid Flights

Compiled by Our Staff From Dispatches NAIROBI — Kenya and the United States on Friday resolved a dispute that had held up the start of an airlift of food for starving Somalis. A meeting between the Kenyan president, Daniel arap Moi, and U.S. officials opened the way for the first U.S. relief flight for refugees in northern Kenya, the initial phase of an operation to ship 145,000 tons of relief supplies. Kenya had said U.S. aircraft had flown into the port city of Mombasa without permission, and late Thursday withdrew permission for American planes to fly over its territory. But Mr. Moi subsequently authorized the first flight to take place Friday, according to a statement by the Kenyan government and the U.S. Embassy. The announcement was an attempt to limit the public relations damage done by the refusal to give the operation flight clearance. American and Kenyan officials said a U.S. military transport plane would leave Mombasa later Friday for the northeastern town of Wajir. The White House announced the airlift a week ago as part of an international operation to save 1.5 million Somalis in danger of starvation. But in a statement Thursday night, a government spokesman ac-

J.-A. Grégoire Dies at 93

Agence France-Press French firm Citroën took an interest. His other inventions included innovations in automobile suspensions, aluminum castings for car bodies and parts and elements for an electric car. In addition to his inventions, he was a literary critic and the author of the prize-winning novel "L'Ombre et l'Argent."

SERBS: Rival Warlords Rule in Captured Bosnia-Herzegovina Lands

(Continued from page 1) ...communicated with one another. Some of these fiefdoms are controlled by well-known warlords who compete for authority. The most powerful warlord in the Prijedor area is the local police chief, Simo Drijaca, who runs the militia and has reportedly had serious clashes with local army officers. Mr. Karadzic said Mr. Drijaca was responsible for the inhumane conditions in Prijedor's detention

First Photos of the Brain at Work Trace Human Thought Processes

By Thomas H. Maugh 2d Los Angeles Times Service LOS ANGELES — For the first time, scientists have been able to view human thought processes directly, tracing the complex patterns of electrical and chemical reactions to small clusters of brain cells. Surprisingly, these glimpses of the brain at work are not the result of sophisticated new technologies that employ radioisotopes or X-rays to monitor brain activity. Instead, the researchers used a comparatively simple camera that during surgery records subtle differences in reflected light — too small to be seen with the naked eye — that flicker over the surface of the brain as thoughts occur. Washington researchers reported in Thursday's edition of the British journal Nature that the technique will probably be used initially in surgery for epilepsy, which requires the removal of diseased tissue from the brain. Doctors will now be better able to avoid excising brain areas used in speech. In the longer term, the researchers said, the technique will provide a much more precise way of mapping various thought processes and physical activities to specific locations on the brain, a feat that will greatly increase the ability to understand and treat this complex organ. "It's a very interesting technique," said Dr. William H. Theodore, a neurologist at the National Institute of Neurological Disorders

Peres Sees Russian Role in Mideast Peace Talks

Reuters MOSCOW — Shimon Peres, the Israeli foreign minister, said Friday that Russia could play a constructive role in Middle East peace efforts, but expressed concern over Moscow's arms sales to the region. During a three-day visit to Moscow, Mr. Peres said the end of the Cold War heightened hopes for resolving the Arab-Israeli conflict. He added that Russia, "instead of being a supplier of arms, will hopefully become a supplier of peace." He said Moscow might use its diplomatic leverage in the Arab world as a positive force in the peace talks.

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Herald Tribune

Advertisement for the Herald Tribune newspaper, highlighting its availability in the U.S. and its delivery in key cities like New York.

ART

Saturday-Sunday, August 22-23, 1992 Page 6

Revising the Image of Sisley

International Herald Tribune LONDON — If the criterion of a very great exhibition is to project a dramatically revised image of an art that seemed familiar, Alfred Sisley at the Royal Academy until Oct. 18 will remain as a landmark.

SOUREN MELIKIAN

from which he otherwise differed a great deal.

The surprises begin with the very first works in the show, done between 1865 and 1867. These reveal a facet of Sisley's that even specialists are barely aware of — the precocious genius then painted in a manner not remotely connected with Impressionism.

The masterpiece comes from the little-known Bridgestone Museum of Art in Tokyo. The receding volumes of stone houses plunging in dark light create a powerful rhythm. In the center of a road, small figures of elderly country women stand in a patch of light falling from the unseen sun while another woman shuffles away.

As time goes by, Sisley's compositions become even more subtle and unconventional. A long view of Moinville done in 1869 contrasts an expanse of dark, moody green in the foreground with the spindly dark trunks of recently planted trees rising at intervals.

Ironically, his powerfully structural compositions schemes contribute to Sisley's key role in the emergence of Impressionism. A view of the Canal Saint-Martin, to be included in the show when it reopens in Paris at the Musée d'Orsay on Oct. 28 (through Jan. 31), is perhaps the earliest elaborate landscape in which pure Impressionist brushwork is used throughout.



Detail of "Hampton Court Bridge," by Alfred Sisley.

When a lighter palette was adopted in 1872 by those who were to be called the Impressionists, Sisley, again, made an early start. In "Bridges of Villeneuve la Garenne" painted below, off-whites with a golden reflection and almond greens give an alacrity that contrasts with the earlier somber mood.

In 1877, standing on the terrace at Saint-Germain and looking down toward the sprawling Seine River in the distance, Sisley embarked on one of his most complex compositions with a multitude of details, utterly uncharacteristic of Impressionism.

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Yet another year passed before Sisley painted two astonishingly beautiful views of Port-Marly flooded in March 1876. In one, two 18th-century houses appear at left, poised like a Greek ruin in a Claude Lorrain landscape.

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Parody and satire: "Poison" by Sylvie Fleury and "Before and Happily Ever After" by Deborah Kass, below.

From Women Artists, Backtalk

By Roberta Smith New York Times Service

NEW YORK — Richard Serra's "House of Cards" is a Post-Modernist landmark of the late 1960s made of four thick sheets of solid lead propped casually against one another to form a somewhat threatening open cube.



Two portraits of women, one by Sylvie Fleury and one by Deborah Kass.

lead propped casually against one another to form a somewhat threatening open cube. Rachel Lachowitz's sculpture is identical — except that its slabs are bright red and made of lipstick. In case anybody misses the point, Lachowitz has named her piece "Sarah."

As the borrowing can be explicit, as when artists like Sue Williams, Deborah Kass and Catherine Howe parody specific paintings by Richard Prince, David Salle, Andy Warhol or Willem De Kooning. Or it can be more oblique, as with the in-your-face photographs exhibited at Metro Pictures.

This new appropriation is the latest phase in a many-faceted feminist art that has been under way for nearly 20 years, most noisily during the early '80s, when a generation of photographers like Barbara Kruger, Cindy Sherman, Laurie Simmons, Sarah Charlesworth and Sherrie Levine turned the camera into a consciousness-raising tool.

Now these two kinds of '80s feminist art are coming together. Women are using the conceptual rigor of appropriation to create rawer, more robust artworks that question the meaning and power of art by men.

For Nazi Victim, Memorial Falter

By Ferdinand Protzman New York Times Service

COLOGNE — Walter Benjamin was controversial during his troubled life and seems to be growing more so in death. A dispute is simmering in Germany over plans to build a memorial to the Berlin-born philosopher, writer and critic 52 years after he took his life while fleeing the Nazis.

The controversy is playing out in government ministries, parliament and the nation's newspapers. It has pitted Richard von Weizsäcker, Germany's president and the main supporter of the memorial, against the German Foreign Ministry and the government accounting office, which combined to scuttle the project's financing in the spring.

But the Spanish border police learned of his arrival and told him he would be returned to occupied France the next day. Despairing, exhausted and afraid he would be turned over to the Gestapo, Benjamin killed himself with morphine tablets. He is buried in the Port Bou cemetery's communal mass grave.

It is just the sort of battle Benjamin might have relished. Best known for his insightful and sometimes lyrical work "Theses on the Philosophy of History," written shortly before his fateful flight, Benjamin was an individual of such complex, contentious nature that Bertolt Brecht admiringly dubbed him "the contradictor."

Benjamin wrote essays on art and literature (including landmark pieces on Baudelaire and Kafka) and culture. In particular his essay on mass culture, technology and art, entitled "The Work of Art in the Age of Mechanical Reproduction," has been among the most widely cited and influential cultural writings of the postwar period.

Whether the memorial will ever be built is an open question. The dispute is nominally over the cost of the project, which began three years ago with the Foreign Ministry agreeing to pay the \$657,000 price tag. The ministry withdrew its support in February after the project was criticized by the government accounting office and a parliamentary committee as too expensive and too far from Germany.

But the real issue is whether Benjamin, a German Jew with Marxist leanings who immigrated to Paris when the Nazis assumed power in 1933 and who opposed Hitler, deserves the honor. No officials have dared criticize Benjamin publicly, but for some the answer is no.

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Crossword puzzle grid with clues for Across and Down. Includes a solution to a puzzle from August 15-16.

S'No Jobs By Arthur S. Verlesca

Crossword puzzle grid with clues for Across and Down.

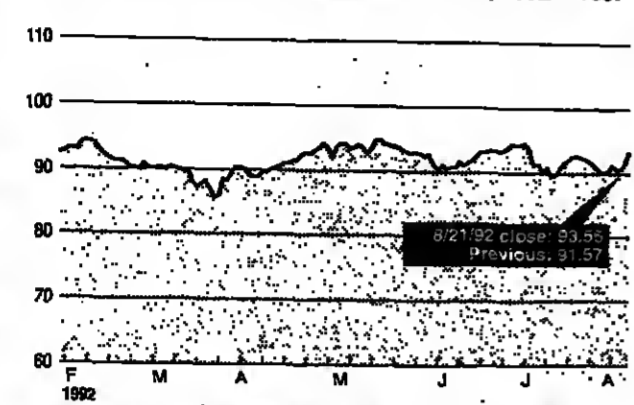
Crossword puzzle grid with clues for Across and Down.

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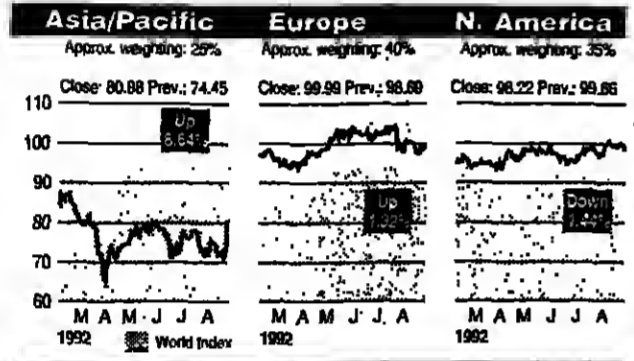
RUSKIANEWS

THE TRIB INDEX: 93.56

International Herald Tribune World Stock Index, composed of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.



Industry	Price	Change	Industry	Price	Change
Energy	95.80	-0.95	Capital Goods	97.93	+1.63
Utilities	90.16	+4.45	Raw Materials	100.40	+1.15
Finance	80.64	+8.02	Consumer Goods	97.79	-0.08
Services	100.14	+0.85	Miscellaneous	102.37	+0.86

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Blue Chips Pounded By Plunging Dollar

NEW YORK — U.S. stocks plunged on Friday after the dollar dropped to a record low against the Deutsche mark, triggering concerns that the Federal Reserve will be hard pressed to make any new interest rate cuts.

The slide in stocks was further fueled by a burst of computer-driven sell orders tied to the expiration of stock options and doubts about whether President George Bush can revive his re-election campaign.

The Dow Jones industrial average tumbled 50.79 points to close at 3,254.10, with Aluminum Co. of America, Exxon, Chevron and Minnesota Mining & Manufacturing accounting for much of the decline. The index has fallen 74.84 points, or 2.3 percent, during the week.

Declining common stocks outnumbered advancing issues by a ratio of about 9 to 5 on the New York Stock Exchange. Standard & Poor's 500-stock gauge fell 3.40 to 414.86 and the Nasdaq over-the-counter index declined 4.15 to 563.71.

Trading was active for a summer Friday, with about 204.17 million shares changing hands on the Big Board.

See STOCKS, Page 8

A U.S. Tariff 'Hit List' for China

By Lena H. Sun
Washington Post Service

BEIJING — In a sign of increasing trade tension between the United States and China, Washington has drawn up a "hit list" of \$3.9 billion worth of Chinese exports for punitive tariffs unless the two sides can reach an agreement by early October about American access to the Chinese market, a U.S. official said Friday.

The list, which was made public in Washington on Friday, is equivalent to about one-fifth of total Chinese exports to the United States, which is Beijing's largest export market. It is the largest such list ever published by the United States, said an assistant U.S. trade representative, Ira Wolf, at a news conference in Beijing.

With the exception of textiles and beer, virtually all major categories of goods that carry the "Made in China" label — toys, shoes, luggage, household appliances — will be included on this initial list, Mr. Wolf said.

The U.S. side will allow a 30-day period for public comment and may then choose to remove certain items from the list. The crucial

deadline, Oct. 10, comes just weeks before the presidential election and right after a likely Senate debate on China's most-favored-nation status in September.

The United States has threatened that if its trade representative, Carla A. Hills, determines by Oct. 10 that Chinese trade practices are harming U.S. commerce, it will impose tariffs of up to 100 percent on Chinese exports. Those tariffs could be imposed soon after the deadline, raising the cost of the items to American consumers or making them too expensive to be exported to the United States.

The decision to move ahead with the list was made after the latest round of trade talks in Beijing over access by American manufacturers to the Chinese market concluded Friday without any significant progress, Mr. Wolf said.

He said the items on the 50-page list had been chosen to minimize the impact on Hong Kong, whose companies in export-oriented southern China churn out many of the goods destined for the American market.

"Any retaliation hurts, and it hurts the American consumer," Mr. Wolf said. "Our goal

Will Tokyo Rally Prove to Be Durable?

By James Sterngold
New York Times Service

TOKYO — Heavy government intervention to stabilize Japan's faltering financial system turned what had been a long stock market rout into a spectacular rally this week. But when asked whether this rally marked the end of the two-and-a-half-year crash and signaled that the economy had regained its footing, most analysts answered with a definite maybe.

Indeed, analysts generally expressed some skepticism over how long this burst of buying would last, since it had been triggered by vague government promises of a massive rescue operation for the financial system — the third time in the past five months the government had attempted to bolster the economy with a promise of new measures.

But for the most part investors and analysts enjoyed what turned out to be three of the best days the market has experienced in years.

Fueled by little more than the finance minister's announcement on Tuesday of measures to help ease the burden of billions of dollars of bad loans on Japanese banks, the market rocketed upward on Wednesday and never stopped. The 225-stock Nikkei index rose 949.12 points, or 6.22 percent, on Friday, to 16,216.88.

That left the index up 12.8 percent in the three days since the finance minister announced the financial rescue, which involves easing tax rules and other measures to help banks write off billions of dollars in bad loans caused by the plunge in the stock and real estate markets.

Trading volume also soared, to 430 million shares Friday from an average of less than 200 million shares in recent weeks.

Pleased as many were with the sudden improvement, it came amid serious weakness in the economy and signs that it was triggered more by technical factors than a sure change in sentiment.

Analysts said the greatest share of the buying

Honeywell to Collect From Camera Makers

MINNEAPOLIS — Honeywell Inc. said Friday it would be paid \$124.1 million in settlements with seven camera makers, mostly Japan-based, that the American company had accused of infringing on its patented technology for autofocus lenses.

Honeywell said the settlements were negotiated separately with Eastman Kodak Corp., Konica Corp., Kyocera Corp., Canon Inc., Matsushita, Nikon Corp. and Premier.

Honeywell reported \$13.9 million in gross proceeds from the settlement in the second quarter, with the balance to be reported in the third quarter, said Christopher J. Steffen, executive vice president and chief financial officer.

Honeywell said it also would get royalties for camera sales through March 28, 1995, when its applicable autofocus patents expire. The company said it would not break down the settlement amounts by camera company.

Some Japanese analysts say U.S. companies are using patent suits as a money-making strategy to compete with successful Japanese manufacturers.

In February, a federal jury in New Jersey awarded Honeywell \$96 million after a trial in which the company accused Minolta Camera Co. of willfully infringing on four patents for the autofocus technology, and of breaching a contract. Jurors decided Minolta unknowingly infringed on two patents, but did not violate its contract.

In March, Honeywell won a \$127.5 million settlement from Minolta, and then filed suits to force the largely Japanese industry to pay royalties for the autofocus technology, now an integral part of the modern camera.

In Japan, a managing director of Nikon, Shigeo Ono, said the camera maker maintained that it had not violated Honeywell patents.

He said Nikon would pay for the use of Honeywell patents on the autofocus technology until the final patent expired, and would sell fixed assets and securities as well as use cash in hand to fund the payments.

(AP, Bloomberg, Reuters)

ECONOMIC SCENE

Weak Prices Give OPEC A Reason for Militancy

By Nicholas Moore
Reuters

LONDON — Weaker oil prices may rally support for the more hawkish pricing ideas that are traditionally championed by Iran when OPEC meets in about a month, according to sources in the cartel. They say several of the 13 members feel that the Organization of the Petroleum Exporting Countries should at least take a critical look at its strategy if it really wants an inflation-proof return for oil.

Whether or not it turns more militant on pricing might in part depend on how far Iran is ready to flex muscles as it re-emerges as the big power in the Gulf, Western oil executives say. But they also cite Saudi Arabia's position of being pinched for cash after running up huge Gulf War bills.

Despite friction with Iran, the historically moderate Saudis might therefore draw closer to it on oil policy. "Iran is not happy with current prices. They need a couple of dollars more," an Arab oil official commented. "But so, if you ask me, do the Saudis." In late London trading Friday, Brent Blend crude was little changed at \$19.80 per barrel.

Mehdi Varzi, who follows the oil sector for Kleinwort Benson Securities in London, believes OPEC is at a crossroads. Mr. Varzi said it had hitherto responded to a revival of the market after a collapse of petroleum demand in the mid-1980s "by raising production rather than price." But he added, "budgets are now shot to pieces not only in OPEC but throughout the industry. Sooner or later they will have to think about price."

OPEC's strategy dates from the mid-1980s, when it adopted a system of sales quotas designed to fine-tune supply to demand and help nudge free market prices up to a desired target. It hasn't worked. Quotas keep being raised or members cheat on them.

In July 1990, a target price of an average \$21 per barrel was agreed for the basket of seven crude oils that OPEC uses as a marker. The basket ended last week at \$19 and prices have since edged lower.

A further selling thrust for OPEC when ministers gather in Geneva in mid-September will be that, if they linked their target to inflation, the \$21 of 1990 should now be near \$23.

Saudi Arabia has strongly denied being influenced to moderate its production by warnings from Iran. But if petroleum demand falters and Iraq oil seems likely to return to the market, the Saudis may find powerful incentives of their own to help broker a strong OPEC quota accord to ratchet prices higher.

British House Market: Victim to Villain

By Erik Ipsen
International Herald Tribune

LONDON — Britain's battered housing market is being elevated from the status of a hapless victim of the recession to a leading cause of the recession's stubborn persistence.

"People used to be able to pay down to the estate agent and say, 'God, the value of my house has gone up by another £2,000,'" said Lynne Wardle, an economist at Abbey National, Britain's second-largest mortgage lender.

Those jaunts used to inspire confidence, not to mention a bit of spending. But since 1989, the local real estate advertisements have yielded the opposite picture. In hard-hit London, prices have sunk 25 percent. For the nation as a whole, the drop is considerably less, but still large enough to qualify as the largest "in modern U.K. history," according to a recent study by the merchant bank Morgan Grenfell.

British House Market: Victim to Villain

Added to the damage done to consumer confidence by that general decline is the spice of occasional stories about yesterday's trophy properties caught in the market's riptide. For example, a spectacular penthouse in the singularly depressed London docklands area that went on the market for £1.9 million (\$3.6 million) in 1990 was just sold for £500,000.

More than a million Britons now are struggling to pay off mortgages that exceed the value of their homes. Keith Wade of Schroeder Economics says Britain's housing crisis constitutes a brake on the economy akin to that exercised in Italy by that nation's immense public-sector debt. Meanwhile, the latest quarterly report from the Bank of England, released this week, referred to the depressed state of consumer spending, which it noted "differed sharply" from previous recessions.

To explain that aberrant aversion to spending, many economists point to the damage done not just to consumer confidence by the

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FDIC Chief's Death Perils Premium Rise

By Stephen Labaton
New York Times Service

WASHINGTON — The death of William J. Taylor, chairman of the Federal Deposit Insurance Corp., has thrown into doubt his plan to raise the insurance premiums that banks and savings associations pay to protect depositors.

The increase, an average of 22 percent, was tentatively approved in May on a 3-to-2 vote by the agency's board and was to go into effect in January after a final vote Sept. 1. The chairman cast the swing vote for the plan.

Mr. Taylor, 53, died Thursday from complications of colon surgery.

With no sign of any board member's changing his vote, the increase is now considered likely to be blocked by a tie vote next month, although some officials predicted that the agency might approve a significantly smaller rise. A new chairman, even if named by President George Bush, still is unlikely to be confirmed by the Senate until next year.

Andrew C. Howe Jr., who became the acting chairman of the agency, said, "I just don't know what will happen" to the premium. As vice chairman in May, he cast his vote with Mr. Taylor. "It's an issue we are going to have to deal with on Sept. 1," he said.

Fearful that a large taxpayer bailout of the banks will be necessary if the industry does not pay more, the chairman of the two banking

committees in Congress, Representative Henry B. Gonzalez, Democrat of Texas, and Senator Donald W. Riegle Jr., Democrat of Michigan, urged a rate increase.

In his 10 months at the agency, Mr. Taylor made the restoration of the insolvent bank insurance fund his primary mission.

But the administration and many banks hoped to block the premium rise, because it would have a broad economic impact, making banking more expensive for customers, who would have to pay more for loans and receive lower yields on deposits.

It would also hurt the stockholders of about 14,500 banks and savings associations, reducing the industry's after-tax earnings by more than 4 percent. Some of the premium costs are also borne by taxpayers, because institutions are permitted to write off a percentage of their premium payments on their corporate taxes.

In May, the board agreed not only to raise premiums by an average of 22 percent beginning in January but also to make fundamental changes in the way those premiums are assessed. For the first time since 1934, when the initial fund was set up in the wake of the bank collapses of the Great Depression, weaker institutions would pay a bigger increase than stronger ones.

Two board members, who are also officials of the Treasury Department, dissented and went

Angola Diamond Rush Catches De Beers Short

By Lena H. Sun
Washington Post Service

LONDON — A diamond rush in Angola and global economic gloom are hurting the profit outlook, the credibility and the stock price of De Beers Consolidated Mines Ltd., which has long kept a firm grip on the diamond market.

Shares of the South Africa-based company have more than halved in value in the past nine months and analysts say their faith in the stock has been shaken by the company's change of heart on the market's prospects.

Earlier this year, De Beers indicated in a series of presentations to analysts in world financial capitals that it believed the diamond market was picking up.

But, in half-year results last week, the company was subdued, predicting a drop in rough diamond sales in the second half of 1992. It blamed much of the drop on a diamond rush by illegal miners in Angola.

"A few months earlier, De Beers had been beating their drums about improved sales," said John Taylor, mining analyst at James Capel & Co. on Friday. "We're not saying they deliberately misled us, but they have lost some credibility."

In November 1991, De Beers shares, quoted in dollars in London, reached \$32.75 each. But on Friday they stood at \$15. The stock has steadily dropped over the past week and Roger Chapman, mining analyst at Credit Lyonnais Laing, forecasts a bottom of \$10 over the next year.

A De Beers corporate communications executive, Roger van Eeghen, denies the company misled market-makers. But De Beers admits it was surprised by the extent of illegal Angolan digging.

"We were not intentionally upbeat," Mr. van Eeghen said. "Perhaps when we gave our presentation

CURRENCY & INTEREST RATES

Cross Rates	Aug. 21
Amsterdam	1.36 1.14 1.22 0.30 0.41 0.35
Australian	0.92 0.78 0.85 0.22 0.26 0.23
Brussels	1.69 1.48 1.58 0.40 0.48 0.43
London	1.00 1.00 1.00 0.00 0.00 0.00
Madrid	1.66 1.41 1.53 0.36 0.43 0.39
Paris	1.66 1.41 1.53 0.36 0.43 0.39
Tokyo	1.66 1.41 1.53 0.36 0.43 0.39

Eurocurrency Deposits	Aug. 21
1 month	3 1/2-3 3/4
3 months	3 3/4-3 5/8
6 months	3 5/8-3 7/8
1 year	3 7/8-4 1/8

Key Money Rates	Aug. 21
3-month T-bill	7 1/2%
6-month T-bill	7 1/4%
9-month T-bill	7 1/4%
1-year T-bill	7 1/4%

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MARKET DIARY

STOCKS: Stung by Weak Dollar

(Continued from first finance page) The collapse of the dollar to an all-time low of 1.4290 DM prompted concerns that the Fed would not lower interest rates again, even if reports show that the economy is weak.

N.Y. Stocks

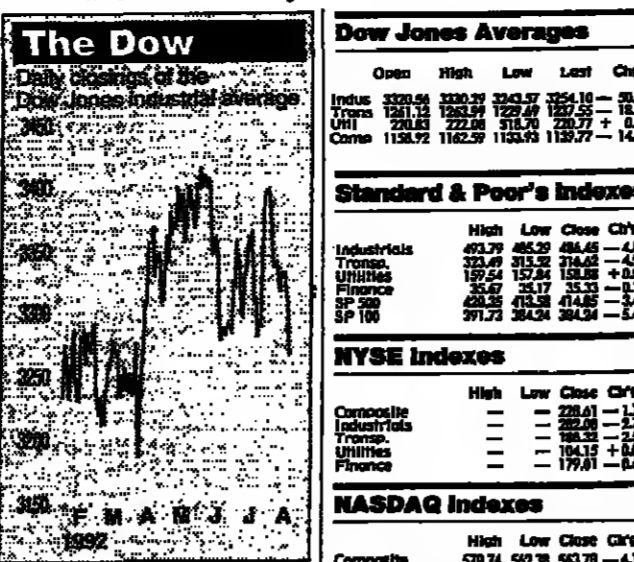
head trader at Kidder, Peabody & Co. "The Fed's not going to ease credit with the dollar in such a bad state, so anyone who's buying stocks on hopes that interest rates are going to remain low may be sorely disappointed," he said.

DOLLAR: Slides to Record Low

(Continued from page 1) interest rates — although unthinkable given the sluggish pace of the recovery and the impending presidential election — would be one way to halt the dollar's slide.

Foreign Exchange

to the immediate problem in the currency market is either for the United States to raise rates or for Germany to lower its rates, equally unthinkable given the continuing overruns in the expansion of German money supply and the country's problem in containing inflation.



NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like USX, Ford, and IBM.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like Goldcorp, Barrick, and Placer Dome.

NYSE Diary

Table listing NYSE Diary with columns for Volume, High, Low, Last, and Change. Includes various market indicators.

Amex Diary

Table listing Amex Diary with columns for Volume, High, Low, Last, and Change. Includes various market indicators.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change. Includes various market indicators.

EUROPEAN FUTURES

Table listing European Futures with columns for Class, High, Low, Prev. Close, and Change. Includes contracts for SUGAR, COCOA, and SOYBEANS.

Standard & Poor's Indexes

Table listing Standard & Poor's Indexes with columns for Industry, High, Low, Close, and Change. Includes categories like Industrials, Utilities, and Finance.

NYSE Indexes

Table listing NYSE Indexes with columns for Category, High, Low, Close, and Change. Includes categories like Composite, Industrials, and Finance.

NASDAQ Indexes

Table listing NASDAQ Indexes with columns for Category, High, Low, Close, and Change. Includes categories like Composite, Industrials, and Finance.

AMEX Stock Index

Table listing AMEX Stock Index with columns for High, Low, Close, and Change. Includes categories like Industrials, Utilities, and Finance.

Dow Jones Bond Averages

Table listing Dow Jones Bond Averages with columns for Category, High, Low, Close, and Change. Includes categories like 30 Bonds, 10 Industrials, and 10 Utilities.

Market Sales

Table listing Market Sales with columns for Category, Volume, and Change. Includes categories like NYSE 4.2m, AMEX 1.2m, and NASDAQ 1.5m.

N.Y.S.E. Odd-Lot Trading

Table listing N.Y.S.E. Odd-Lot Trading with columns for Buy, Sell, and Short. Includes various market indicators.

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AIDS Policy Seller Alleges Slander

WACO, Texas (Reuters) — Life Partners Inc. said Friday that it had filed suit in federal court against North Dakota's securities commissioner, Glenn Pomroy, and the North American Association of Securities Administrators, and Hastings Group.

O&Y Bondholders May Get Holdings

TORONTO (Bloomberg) — Olympia & York Developments Ltd. said it was prepared to transfer three of its Canadian properties, including flagship First Canadian Place, to bondholders if the company's restructuring fell short, court documents showed.

Ad Agency Held Liable for Damages

NEW YORK (AP) — A federal judge held an advertising agency liable for nearly \$1 million in damages Friday for making false claims in commercials for a razor made by Wilkinson Sword Inc. The ruling by U.S. District Judge Kimba Wood is believed to be the first of its kind.

Ship Company May Seek Protection

TAMPA, Fla. (AP) — American Ship Building Co. said Friday that it might file for bankruptcy protection by the end of September if the U.S. Navy did not pay \$22 million needed to finish two tankers. The company's chairman is George Steinbrenner, owner of the New York Yankees.

Successor for Slain Exxon Executive

IRVING, Texas (Bloomberg) — Exxon Corp. on Friday named René Dahab, a divisional executive vice president, to replace the slain executive, Sidney Reso as head of the international division of the oil company.

For the Record

Homestake Mining Co. said Friday that it would take a one-time restructuring charge of about \$14 million against 1992 operating results as a result of the consolidation of its Canadian operations after the acquisition of International Corona Corp. on July 22.

U.S. FUTURES

Table listing U.S. Futures with columns for Season, High, Low, Open, High, Low, Close, and Change. Includes contracts for Wheat, Corn, Soybeans, and Cattle.

U.S. FUTURES (Continued)

Table listing U.S. Futures (Continued) with columns for Season, High, Low, Open, High, Low, Close, and Change. Includes contracts for Gold, Silver, and Oil.

WORLD STOCK MARKETS

Table listing World Stock Markets with columns for Market, High, Low, Last, and Change. Includes markets for Amsterdam, Helsinki, Hong Kong, Brussels, Johannesburg, Frankfurt, London, Montreal, and Toronto.

RALLY: Will the Rebound in Tokyo Prove Durable?

(Continued from first finance page) April-June quarter fell 0.7 percent from year-earlier period. The ministry said it was the first such decline since it began gathering the statistics in 1953.

Grains

Table listing Grains with columns for Contract, High, Low, Open, High, Low, Close, and Change. Includes contracts for Wheat, Corn, and Soybeans.

Metals

Table listing Metals with columns for Contract, High, Low, Open, High, Low, Close, and Change. Includes contracts for Copper, Aluminum, and Zinc.

Livestock

Table listing Livestock with columns for Contract, High, Low, Open, High, Low, Close, and Change. Includes contracts for Cattle and Hogs.

Financial

Table listing Financial with columns for Contract, High, Low, Open, High, Low, Close, and Change. Includes contracts for US Treasury Bonds and Municipal Bonds.

Industrials

Table listing Industrials with columns for Contract, High, Low, Open, High, Low, Close, and Change. Includes contracts for Dow Jones Industrial Average and S&P 500.

Oil

Table listing Oil with columns for Contract, High, Low, Open, High, Low, Close, and Change. Includes contracts for Crude Oil and Heating Oil.

Stock Indexes

Table listing Stock Indexes with columns for Index, High, Low, Last, and Change. Includes NYSE, AMEX, and NASDAQ.

Commodity Indexes

Table listing Commodity Indexes with columns for Index, High, Low, Last, and Change. Includes various commodity indices.

ASDAQ Friday & Pre-Open

Table listing ASDAQ Friday & Pre-Open with columns for Stock, High, Low, Last, and Change. Includes various individual stock listings.

Handwritten note: 'The Dow' with a signature.

150 من الاصل

Ratners To Close 330 Stores

The Associated Press
LONDON — The jewelry chain Ratners Group PLC said Friday it would close 330 stores in Britain and the United States as it struggles with financial troubles that handed it big losses last year.

Ratners, in a long-delayed financial report, announced that it lost £122.3 million (\$236.8 million) before taxes for the financial year ending Feb. 1. That compared with a pre-tax profit of £121.1 million a year earlier.

The company said its loss came on sales of £1.13 billion, compared with £1.11 billion for the previous year.

James McAdam, who replaced Gerald Ratner as chairman in January after a disastrous Christmas season, blamed the company's troubles on the recession in Britain and the slump in the United States.

With sales down 15 percent during the Christmas season, Ratners cut prices to boost sales. That devastated margins.

Ratners will close 180 of its 880 stores in Britain, which operate as Ratners, H. Samuel, Sales and Ernest Jones, Mr. McAdam said. In America, Ratners plans to close 150 of its 1,000 Kay and Sterling stores over the next three years.

The company said that more than 1,000 jobs would be cut in the United States over the next three years. There was no mention of job cuts in Britain.

Ciba-Geigy Posts 12% Profit Rise

Compiled by Our Staff From Dispatches
BASEL — Ciba-Geigy AG reported on Friday that its net profit rose 12 percent in the first half of the year to 1.42 billion Swiss francs (\$1.10 billion).

Analysts had expected an increase to 1.47 billion-1.5 billion francs, or 15 to 18 percent. Sales of 12.26 billion francs, up 12 percent from 10.95 billion in the year-ago period, were at the lower end of forecasts.

A Credit Suisse analyst, Meinrad Gyr, agreed, attributing the first-half shortfall to the cost of introducing the company's Nicotinel JTS/Habitrol anti-smoking patch.

Equity for UNI Storebrand?

OSLO — UNI Storebrand A/S said Friday that its board would meet next week but refused to comment on a report that Chairman Anders Eckhoff would ask for authority to issue new equity.

A UNI Storebrand spokesman would not say what day the board would meet. He said the company was in touch with Norwegian authorities.

The Norwegian daily Dagbladet said the meeting would take place on Monday and that Mr. Eckhoff would propose an issue of up to 2 billion kroner (\$351 million) to bolster UNI Storebrand's capital.

UNI Storebrand also rejected suggestions that it could be broken up as part of a rescue. The company needs to bolster its capital after a failed effort with the troubled Danish insurer Hafnia Holding A/S to gain control of Sweden's biggest insurer, Skandia AB.

"We underlined that the only alternative the board and administration are working with is to attract new equity and keep the company together," Managing Director Per Terje Vold said after talks with the Finance Ministry.

Finance Minister Sigbjorn Johnsen said earlier this week that the state had no plans directly to shore up UNI Storebrand. But the state controls the biggest commercial banks and has a 51 percent stake in the industrial firm Norsk Hydro, all of which could be expected to subscribe to any share issues.

On the Oslo Stock Exchange on Friday, UNI Storebrand's A shares fell 2.20 Norwegian kroner, to 13.30 kroner (\$2.53), a record low. Its shares have plunged 40 percent since Hafnia announced its restructuring and suspended payments.

Separately, banking industry analysts said prospects had clouded for a 1992 dividend increase at Commerzbank AG in view of the bank's links with Hafnia.

On Thursday, Deutsche Bank Research lowered its earnings estimates for Commerzbank on the assumption that Commerzbank would take major write-offs on Hafnia loans.

Commerzbank on Friday called Deutsche Bank's move "premature" and said that the complete non-performance of its credits to the Hafnia group was highly improbable.

Electrolux Earnings Firmed 3% in Period

Stockholm — The Swedish home appliance maker Electrolux AB on Friday posted a profit after net financial items of 758 million kroner (\$143.2 million) for the first half of 1992, exceeding most analysts' expectations.

The company had recorded a profit of 917 million kroner in the year-earlier period but that result had included a one-time profit of 184 million kroner from the sales of some commercial service units.

Excluding such items, profit had increased 3 percent in the first half from a year ago, the company said. The company's profit of 758 million kroner was at

the upper end of analysts' forecasts ranging from 500 to 810 million kroner.

The company also said that net income had risen 5.3 percent to 239 million in the second quarter.

First-half revenue totaled 40.8 billion kroner, hardly changed from 40.77 billion kroner a year ago, while operating income after depreciation dipped 12.2 percent to 1.52 billion kroner.

Electrolux said almost half of the increase in sales of household appliances was due to the consolidation of the Hungarian company Lefel from April.

The share price dipped Friday by 2 kroner to 197 kroner in Stockholm. (AFX, Bloomberg, Reuters)

Nominee May Widen Bundesbank's View

By Lawrence Malkin
International Herald Tribune

The nomination of Horst Schulmann to the presidency of a regional branch of Germany's central bank was welcomed Friday as increasing the international dimension of the Bundesbank's internal debates on monetary policy.

Mr. Schulmann, head of the Institute for International Finance in Washington since 1984, was one of the architects of the European Monetary System when he served at the European Community in Brussels and later in Bonn. There, he held several Finance Ministry posts under Helmut Schmidt, Germany's most recent Social Democratic chancellor.

The state government of Hesse, run by a coalition of Social Democrats and Greens, proposed him as chairman of its Landeszentralbank, as Bundesbank branches are officially called. The nomination must be approved by the upper house of Germany's legislature and the Bundesbank council itself, but this is routine and is expected to be completed in a month or so.

At a news conference Thursday with the Hesse prime minister, Hans Eichel, Mr. Schulmann declared he was a "card-carrying member of the Social Democratic Party."

"He's neither a hawk nor a superhawk," said Mr. Eichel of his nominee, who declined to speak out on the central bank's tight-money policies, on which he will have one vote out of the 18 now deciding policy.

But Peter Pietsch, chief economist at Commerzbank in Frankfurt, said Mr. Schulmann was "internationally minded" because of his experience in Washington and elsewhere, and that this would broaden the Bundesbank's discussions of the effects of its policies on Germany's European neighbors.

The regional bank presidents have generally been seen as the most restrictive and provincial members of the group in fighting inflation.

A central bank official said that the effects of its policies in Europe already take up larger proportion of the Bundesbank's policy-making debates than Germany's neighbors suspect, but he added that Mr. Schulmann's arrival would no doubt expand their horizons further.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1900	2600	2100
1800	2700	2000
1700	2800	1900
1600	2900	1800
1500	3000	1700
1400	3100	1600
1992	1992	1992
M A M J J A	M A M J J A	M A M J J A

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	111.50	111.30	+0.18
Brussels	Stock Index	5,483.85	5,461.70	+0.41
Frankfurt	DAX	1,520.02	1,513.06	+0.46
Frankfurt	FAZ	598.06	602.40	-0.72
Helsinki	HEX	610.28	634.30	-3.79
London	Financial Times 30	1,755.40	1,757.50	-0.12
London	FTSE 100	2,365.70	2,359.40	+0.27
Madrid	General Index	208.10	208.10	+0.48
Milan	MIB	797.00	796.00	+0.13
Paris	CAC 40	1,744.16	1,724.18	+1.16
Stockholm	Affarsvaeriden	856.36	863.64	-0.84
Vienna	Stock Index	357.35	356.29	+0.30
Zurich	SBS	618.70	612.80	+0.84

Sources: Reuters, AFP
 Information: M. J. Tolson

Very briefly:

- Ford Motor Co. will halt production at its Halewood plant, near Liverpool, for one week next month because of falling sales, labor union sources said.
 - Eastern Germany's pharmaceutical sales fell to 730 million Deutsche marks (\$507.6 million) in the first half of the year, from 1.7 billion DM in the corresponding in 1991, as a result of declining exports to former Communist trading partners.
 - Sandvik AB, the Swedish steel and tool company, said net income after non-recurring earnings and expenses fell 71.1 percent to 846 million kroner (\$160 million) to the first half.
 - Britain's gross domestic product fell by 2.4 percent in 1991, the biggest decline since the series of statistics was begun in 1948, the central statistical office said, confirming provisional figures.
 - Ireland's Central Bank said it was raising its short-term facility rate to 10.75 percent from 10.50 percent effective immediately.
 - Western Europe's car sales shrank 15 percent in July from the year-earlier month, industry sources said; the markets suffering the steepest fall were Germany, 38 percent, and Belgium, 18 percent.
- Bloomberg, AFX, Reuters, AFP, AP

DIAMOND: Blow to De Beers HOUSING: British Slump Is Becoming the Villain

(Continued from first finance page)
 tions we did not emphasize the problem enough."

De Beers estimates that more than 50,000 wildcat diggers are stripping Angola's alluvial diamond beds in Cango province, removing the best stones. "It's like the Wild West out there," Mr. van Eeghen said.

De Beers's London-based selling arm, the Central Selling Organization, has been buying up stones to stabilize the market.

The company now says the Angolan rush will flood the market with diamonds worth about \$500 million, or more than 10 percent of the world's total diamond output.

Angola, whose civil war ended in May 1991, is holding elections next month and De Beers says it will take some time before a new government acts against the diggers.

While analysts are pessimistic about De Beers and have advised clients to sell before the stock drops more, they stress the company has gone through tough times before and survived.

(Continued from first finance page)
 any quick uptick in the number of home sales. Housing turnover has now fallen to slightly less than half its 1988 peak of 2.1 million units per year. And even if sales were to unexpectedly rally, experts say the boost that would give to the economy would be muted at best.

In the boom years, fast-rising property prices guaranteed that almost every house sale released a large chunk of profit for its owner, often triggering spending on consumer items. Today those profits are far rarer. In the process, the economy has lost an important source of demand.

Hope springs eternal that Britain's punishingly high interest rates will come down soon. But meanwhile, the housing market is having to contend with a new threat: "Alongside the slump in demand for mortgages, there will also be some restriction in their supply," Mr. Gilchrist said.

Britain's housing boom in the last decade was fueled, among other things, by the sudden, easy avail-

ability of credit — a product of financial deregulation. Mortgages of 100 percent of the value of the property were common; now the maximum mortgage is far more likely to be 95 percent.

While that may still seem high, until last year, home buyers could purchase a house without putting up a penny of the purchase price. Now they need to save several thousand pounds before buying the average house. "In retrospect, people say that we would have been better off to have had a higher deposit so that people wouldn't have just bought a house rashly," said Ms. Wardle of Abbey National.

Mortgage lenders that posted record losses last year and expect worse this year are now encouraging customers to pony up larger deposits. Such a shift has the dual merits of lowering the risk for the lender, and making some buyers weigh their purchase more carefully. But it also dampens already exceedingly soggy demand by making it far more expensive for home buy-

Spanish Growth Dip Likely

The Associated Press
MADRID — Spain's annual growth rate, weighted down by a burgeoning public debt and sluggish commercial activity, will drop below 2 percent by year's end, the Bank of Spain predicted Friday.

The expected level would be a full percentage point lower than the objective set by the government of Prime Minister Felipe Gonzalez. The current growth rate is 2.3 percent.

Public sector spending, much of it on the six-month Expo '92 in Seville, the Olympic Games in Barcelona and national health and unemployment benefits, rose 40.4 percent in the first six months of the year, the bank said. It also pointed to reduced consumer demand related to increasing unemployment, as well as sharp drops in construction starts and investment in capital goods.

NASDAQ

Friday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price	Symbol	Price
AA	10.00	W	10.00
ABB	10.00	X	10.00
ABC	10.00	Y	10.00
ABD	10.00	Z	10.00
ABE	10.00	AAA	10.00
ABF	10.00	AAA	10.00
ABG	10.00	AAA	10.00
ABH	10.00	AAA	10.00
ABI	10.00	AAA	10.00
ABJ	10.00	AAA	10.00
ABK	10.00	AAA	10.00
ABL	10.00	AAA	10.00
ABM	10.00	AAA	10.00
ABN	10.00	AAA	10.00
ABO	10.00	AAA	10.00
ABP	10.00	AAA	10.00
ABQ	10.00	AAA	10.00
ABR	10.00	AAA	10.00
ABS	10.00	AAA	10.00
ABT	10.00	AAA	10.00
ABU	10.00	AAA	10.00
ABV	10.00	AAA	10.00
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ABX	10.00	AAA	10.00
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ABG	10.00	AAA	10.00	AAA	10.00
ABH	10.00	AAA	10.00	AAA	10.00
ABI	10.00	AAA	10.00	AAA	10.00
ABJ	10.00	AAA	10.00	AAA	10.00
ABK	10.00	AAA	10.00	AAA	10.00
ABL	10.00	AAA	10.00	AAA	10.00
ABM	10.00	AAA	10.00	AAA	10.00
ABN	10.00	AAA	10.00	AAA	10.00
ABO	10.00	AAA	10.00	AAA	10.00
ABP	10.00	AAA	10.00	AAA	10.00
ABQ	10.00	AAA	10.00	AAA	10.00
ABR	10.00	AAA	10.00	AAA	10.00
ABS	10.00	AAA	10.00	AAA	10.00
ABT	10.00	AAA	10.00	AAA	10.00
ABU	10.00	AAA	10.00	AAA	10.00
ABV	10.00	AAA	10.00	AAA	10.00
ABW	10.00	AAA	10.00	AAA	10.00
ABX	10.00	AAA	10.00	AAA	10.00
ABY	10.00	AAA	10.00	AAA	10.00
ABZ	10.00	AAA	10.00	AAA	10.00

NYSE

Friday's Closing
Tables include the following prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

Symbol	Price	Change
IBM	118.00	+1.00
MSFT	52.00	+0.50
ORCL	48.00	+0.25
INTL	10.00	+0.10
DISC	28.00	+0.15
WMT	42.00	+0.30
AMZN	18.00	+0.10
GOOG	120.00	+2.00
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GOOG	120.00	+2.00

(Continued on next page)

NYSE High-Lows

Symbol	High	Low
IBM	118.00	117.00
MSFT	52.00	51.50
ORCL	48.00	47.50
INTL	10.00	9.90
DISC	28.00	27.80
WMT	42.00	41.70
AMZN	18.00	17.90
GOOG	120.00	118.00

AMEX High-Lows

Symbol	High	Low
IBM	118.00	117.00
MSFT	52.00	51.50
ORCL	48.00	47.50
INTL	10.00	9.90
DISC	28.00	27.80
WMT	42.00	41.70
AMZN	18.00	17.90
GOOG	120.00	118.00



Handwritten note: 1520

China's Foreign Debt Rose 15% in Year

BEIJING — China's foreign debt rose 15.2 percent in 1991 to \$60.56 billion, with the fastest growth logged by short-term debt, the State Administration of Exchange Control announced Friday.

Long- and medium-term debt rose \$4.48 billion, or 9.8 percent, to \$50.26 billion, the official Xinhua news agency quoted the state administration as saying. Short-term debt rose \$3.53 billion to \$10.3 billion, an increase of 52.1 percent over 1990.

Japan's M-2 Hardly Growing

TOKYO — The Bank of Japan announced Friday that the most closely watched measure of its money supply grew at an all-time low annual rate of 0.2 percent in July, the third consecutive month of record low growth.

The growth in the money measure — consisting of certificates of deposit and M-2, which comprises cash and various bank accounts — was considerably below most economists' expectations of growth closer to 0.6 percent.

The data created such information stemming from M-2 plus CDs has diminished considerably, said the report. The report said the measure does not accurately reflect the amount of money in the economy because it does not include several key financial assets including Japan's mammoth postal savings system.

Investor's Asia

Table with columns for Exchange, Index, Friday Close, Prev. Close, and % Change. Includes data for Hong Kong, Singapore, Sydney, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, and Bombay.

NYSE

Friday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

NYSE market data table with columns for Stock, Div, Yld, PE, High, Low, P.A. O.P. Includes various stock tickers and their performance.

Japan Electronics Firms Face Profit Downgrades

TOKYO — Weak domestic sales and the impact of a higher-than-expected yen are expected to drag earnings of Japan's big electronics companies below forecast levels, company officers said Friday.

Table listing various Japanese electronics companies and their financial metrics, including stock prices and performance indicators.

Sales Slump, Yen Hurt Honda Earnings

TOKYO — Honda Motor Co. on Friday reported a 26.1 percent decline in consolidated pretax profit for the first quarter of the 1992 financial year, due largely to slumping automobile sales in North America and Japan.

Table listing various Japanese companies and their financial metrics, including stock prices and performance indicators.

IMF Approves Program Of Philippine Reforms

MANILA — The International Monetary Fund review mission has expressed support for the Philippine economic stabilization program, the central bank said Friday.

Table listing various Philippine companies and their financial metrics, including stock prices and performance indicators.

AMEX

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AMEX market data table with columns for Stock, Div, Yld, PE, High, Low, P.A. O.P. Includes various stock tickers and their performance.

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Table listing various Philippine companies and their financial metrics, including stock prices and performance indicators.

Very briefly:

- Hainan Global Science & Technology Enterprises of China has signed a joint-venture contract to help Vietnam set up its first special economic zone in Hai Phong.
Independent Newspapers Ltd., 49.7 percent owned by Rupert Murdoch's News International Ltd., said its net profit doubled to 30.64 million New Zealand dollars (\$16.46 million) in the year to June 30.

Sales Slump, Yen Hurt Honda Earnings

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MONEY

Saturday-Sunday,
August 22-23, 1992
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FIRST COLUMN

Fast Decade For Shares: Too Fast?

THE debate continues. Were Japanese shares vastly overpriced through the violent bull run of the preceding decade? Or are shares in New York, London, Frankfurt and Hong Kong really the overpriced stocks, now due for a fall?

Anyone treating these two views as alternatives will not find the correct answer to either question. The assumptions on which they are predicated are not mutually exclusive, so the answers are, in both cases, a qualified yes.

The gyrations of the Japanese market — down 4.2 percent on Wednesday, up by a little more in the next day's trade — have provoked myriad headlines of horror in the financial press.

On many criteria, not least of which being the lack of respectable shareholder dividends, the Tokyo market has been trading at over-inflated levels for a long time.

But set against the fundamental strength of the Japanese economy, which is still growing and has not failed to grow while many western economies were in recession, the selling is beginning to look seriously overdone. Some of the more hysterical predictions are calling for a bottom to the bear run at 6000. In this column's view, the Japanese fundamentals are propitious, while black pessimism of the 6000 bottom kind is a good contra-indicator, and a general help in deciding when to time a buy.

The really ambitious with speculative gain in mind will seek to buy a call option on a favored Japanese stock, or perhaps buy an option on a Japanese index.

As for the rest of the world's markets, they have performed extremely well when you consider how miserable the health of the underlying economies, such as that of the United States, has been in many cases. Since the Danes said no to the EC's Maastricht treaty at the beginning of June, Europe's major markets have sustained double digit percentage losses. That was the spur to changed sentiment, and there is a little further downward still to go.

Fear of Deflation Puts A Chill on Gold Prices

By Conrad de Aenlle

INFLATION, Public Enemy No. 1 among economists, has been declared dead by many, or at least not visibly twitching. Deflation has replaced it as the scourge of the moment, particularly among owners of gold.

Fear of deflation, whipped up when measures of American wholesale and retail prices each rose just 0.1 percent in the latest reporting period, was credited with knocking \$16 off the price of gold last week.

The conventional way of thinking is that gold is the ideal hedge against inflation and a protector of wealth during times of cheap money. If deflation is to become the order of the day, meaning money will hold its value and even buy more over time, then, the reasoning goes, gold has lost its main reason for being, or at least being bought.

Not so, say some who follow the metal's progress. For one thing, it has not yet been established that deflation is just around the corner. Many analysts, especially in the United States, think the coming months will bring economics as usual.

They believe the rate cuts the U.S. Federal Reserve Board has instigated in the last two years have injected quite a bit of money into the marketplace; inflation, they argue, is not as moribund as popularly believed, despite the near standstill in prices. That gives gold the environment it needs to bounce up off the floor.

"The Federal Reserve's dramatic interest rate cuts in recent months mean higher inflation is sure to follow," writes Stephen Leeb, editor of the newsletter *The Big Picture*. "While we don't expect inflation to come roaring back in '70s-era fashion, its rise will no doubt benefit traditional inflation hedges, most notably gold and gold stocks."

In a similar vein, James Stack, editor of *Investment Market Analyst*, said in one recent issue: "If the Federal Reserve maintains its current course, the four-year M1 growth rate will be 6.5 percent by year-end. . . . That suggests that inflation is heading higher, toward 5 percent in 1993. M1 is the Fed's most narrow measure of the money supply. Mr. Stack added: "When people ask questions about gold and inflation, they are harking back to an era when it played

said, "If precious metals are unable to respond to higher inflation reports or a tumble in the U.S. dollar, then their outlook isn't yet favorable."

John Fitzackerley, who follows gold for Shearson Lehman Brothers, thinks that whether his colleagues see inflation, deflation or neither one coming, those who forecast gold prices accordingly are missing the point.

"I don't think modern financial strategy uses gold bullion the same way it did even 15 years ago," he stated. "Gold as an inflation hedge has been eroded; the reason you found it was that there was nothing else out there. Now you can hedge those specific areas you're worried about with derivative contracts traded on exchanges around the world." A popular example in the last few years has been oil, he noted.

"The markets are much more sophisticated," agreed Mike Kurtnajek, a gold analyst at Credit Lyonnais-Laing Securities. "It's easier to move assets around the world at the flick of a switch. Gold is not seen as the traditional store of value it was 10, 15 years ago."

Not only has gold lost its tie to inflation, he argued, but true deflation might actually give a lift to gold because of the myriad dire things it would do to the world's economic health.

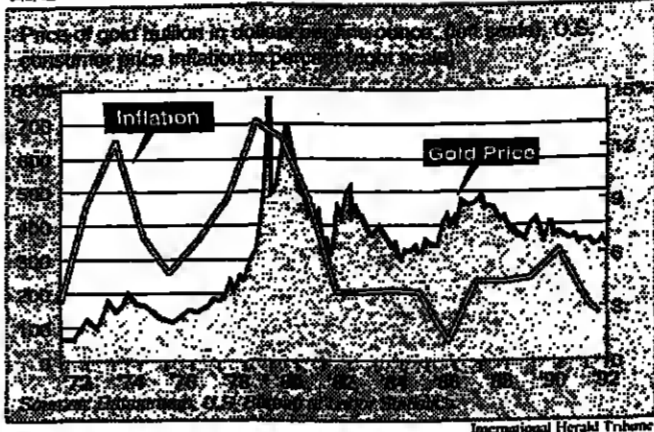
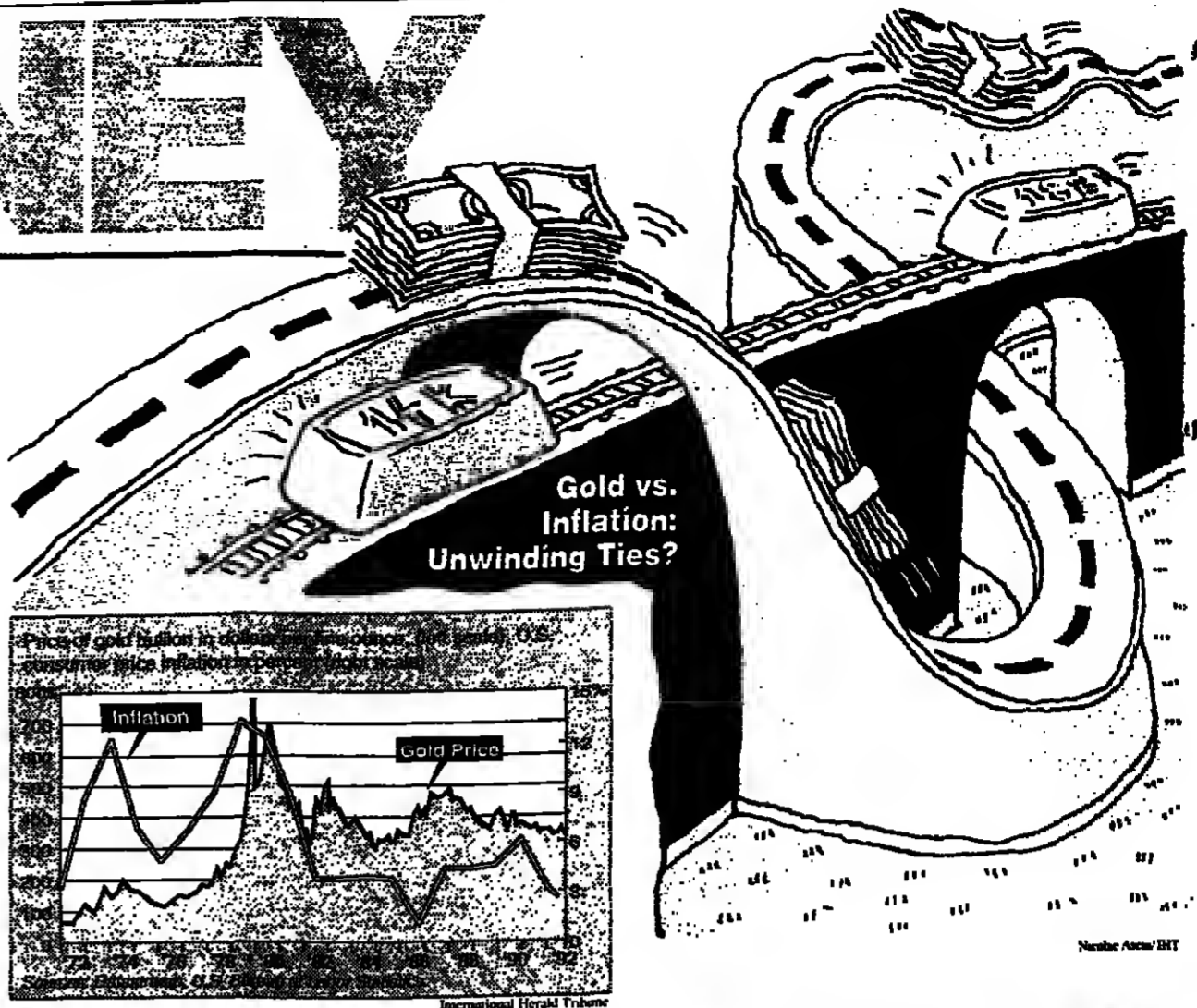
"I don't think it really matters," he said. "That relationship has for all intents and purposes already broken down. If inflation is moribund, that also suggests we may have a period of mega-recession in the world — equity and capital markets in general may be heading for some sort of crash. If that's the case gold may become attractive again."

Alan Baker, who runs the gold trading desk for Kleinwort Benson's metals trading unit, said he was not sure that those who made the argument that gold was no longer a hedge against inflation were correct.

"They are until we get rampant inflation again," he said.

He conceded, though, that "in so many ways gold used to react to particular scenarios, it fails to do so. There's a feeling it doesn't react as it should do in particular situations."

Mr. Fitzackerley added: "When people ask questions about gold and inflation, they are harking back to an era when it played



more of a role. The same holds for deflation as inflation. There are no simple answers in gold anymore. You can't point to a single factor that is going to move gold."

He did, however, point to a single factor that precipitated the two-day plunge, and a single one that didn't.

"I don't think it was on the U.S. [producer price index]," he said. "What happened was a number of U.S. commodity funds executed some sell orders and it led to a rout. We haven't seen very heavy volume; it was a more technically driven move than a sudden realization of a fundamental change in the gold market."

"The thing to be cognizant of are the numbers that came out were more of a continuation of a trend than a radical reason to destroy an outlook for metals prices. Clearly the world is experiencing disinflation, but it was no more news [when the figures were released] than it was the week before."

Disinflation is a slowdown in the growth of prices, rather than the actual decline that marks deflation.

Mr. Kurtnajek pointed elsewhere to explain the downward push in gold.

"If you're talking about the recent selling, it has come essentially from one source,

Australian gold producers, who, having seen the fall in their own currency, saw a rise of 10 or 11 dollars. In the current market, that has led them to take profits."

Were the sellers, whoever they were, prudent in acting when they did?

"I think we need time to say if it's justifiable," Mr. Baker said. "We have to see whether at this level the physical uptake exceeds the supply that comes on the market. The one thing I'm waiting to see is if the demand and supply balance out."

They didn't last year, when 2,200 tons were mined for jewelry, but only 1,600 tons of jewelry was produced, Mr. Kurtnajek noted. The balance may change, though.

"If we get a continuation of flat prices, gold mines worldwide are going to have to close," he said. "The supply-demand equation will move to a shortage and stimulate demand."

He foresees gold moving up to \$400 to \$425 in the next 12 to 18 months.

Mr. Fitzackerley also sees gold recovering from the recent selloff and moving ahead: "I think gold prices are going to work better regardless of trends in inflation; the fundamentals can't sustain these prices, and gold

has played an equity market hedge role since 1977.

"Looking forward to the next few months, there are a number of areas that can spark interest in gold," even if the economy enters a period of deflation: "the falling dollar, the U.S. election, the situation in the Gulf, the fate of European unification. Individually all those elements are not something you'd point to and say gold is going to go up, but in concert they make a good case. Although I'm not mega-bullish — I'm not saying gold's going to \$400 — I think it will attempt \$360 again in the next six to eight months, if not sooner."

The only thing certain about gold is that nothing is certain. Given its history of confounding experts, perhaps one of the best arguments to be made for a rise in gold is the recent emphatic selling.

"What you can generally bet on is gold will do the unexpected," Mr. Kurtnajek said. "I don't know of any analyst or fund manager that has made a good living forecasting the price of gold. If you're going to have a crash, make it a good one and make all the cages rattle."

M.B.

London Equity Futures Volume

Equity options volume in 1992 and versus year earlier period on the London International Financial Futures and Options Exchange.

	FTSE-10	EURO TRACK (individual)	EQUITY TOTAL
Vol.			
Jul. 92	345,614	382,400	728,014
Jul. 91	303,229	401,029	704,258
% change	+13.98	-4.65	+3.37
Vol.			
Jul. 91	206,398	371,953	578,351
% change	+67.45	+2.81	+25.88
Jan. 92	1,780,226	2,829,601	4,609,827
Jan. 91	1,321,595	2,840,509	4,162,104
% change	+34.70	-0.38	+10.76

Source: LIFFE International Herald Tribune

Trade Options: Unsure Times Attracting the Private Investor

By Aline Sullivan

PPRIVATE investors with the courage of their convictions are encroaching on territory once considered the exclusive preserve of institutional investors — traded options. The London International Financial Futures and Options Exchange, or LIFFE, said demand for options rose 193 percent in the first seven months of this year, largely driven by demand from individuals.

Historically, options have proved popular in times of economic uncertainty. Investors flocked to the options market in the 1870s and again in the early 1930s. Today, as then, options offer private investors the chance to hedge their exposure to falling share values without having to sell the shares themselves. Alternatively, courageous investors wishing to back a strong hunch can use options to take advantage of growth opportunities to a far greater extent than simply buying shares.

For example, shares in Britain's Midland Bank climbed 31 percent in the week after HSBC Holdings, the parent company of Hong Kong & Shanghai Bank, launched an agreed takeover bid. At the time of HSBC's bid on March 17, Midland was also in talks with Lloyds Bank. Investors expecting Midland shares to rise in the event of a takeover battle had a choice: they could either have bought shares in the bank at 340 pence (\$5.50 each), or they could have bought a Midland Bank June 360 pence call options for 23 pence each.

In the event, a counter bid from Lloyds forced HSBC into raising its offer before Lloyds threw in the towel. The investor with Midland shares could then have sold them for 446 pence each, making a profit of 106 pence, or a 31 percent return. The call option buyer however, could have sold out for 92 pence: a profit of 69 pence or a 200 percent return.

Options may also have tax advantages. If an investor expects a stock in his portfolio to decline in value over the short term, he could

buy a put option to sell shares in the same company in, say, a month's time at today's price. Any subsequent fall in the share's value would be compensated by a rise in the value of the option — and the investor would escape the capital gains liability he would have incurred if he had sold the shares.

Index options likewise enable investors to hedge downside risks while preserving exposure to gains. Ahead of the U.K. general election last April, a private investor with a broadly based portfolio worth £100,000 could have sold out of the market in order to avoid the risk of a plunge in share values, widely expected to follow the election of a Labour Party government. The investor would have missed out, however, on the rally following the unexpected win by the Conservative Party.

So the investor could have bought a call option giving him the right to buy back his £100,000 portfolio following the election. Following the Conservative victory, the call option would have enabled the investor to buy back his shares at a far lower price than they would then be worth.

In an efficient market, however, options are priced according to the perceived volatility of the underlying security.

William Arsh, a director at Marathon Asset Management in London, said options make sense for the private investor if he relies on risk or for secondary purposes like hedging tax liabilities on existing assets. Otherwise, an investor is paying a big premium for rapid movements over a short period of time.

Private investors account for less than 14 percent of option transactions on LIFFE, the largest futures and options exchange in Europe and the third largest in the world after the two Chicago exchanges. This compares with about 70 percent in the U.S. and Switzerland where commission costs are generally lower and the market more liquid. But despite the risk and expense, demand is growing fast as investors look for ways to make money in a bear market.

Best Performing Mutual Funds

Investment Funds from Belgium, Britain, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Switzerland and the United States. Values of \$100, income reinvested, excluding charges.

Source: Investment Research Co., London, Aug. 3, 1992

Fund	Performance
Guinness Currency Hedge III	184.87
Guinness France	140.20
Guinness Currency Hedge II	138.20
Guinness Gold Income	117.07
Guinness Options & Warrants	115.93
Guinness Guaranteed Currency II	115.80
Guinness World Future Pool	115.79
GAMIF Investments	115.53
Guinness Gilt High Income	115.13
Guinness M&S European Pear	112.92
BT Biotechnology & Health	112.49
Solihull Futures	112.01
Investment PS N Amer Warrant	111.81
Guinness Fund O (Commodity)	111.71
Guinness Citicorp	111.70
Guinness US Emerg Health Care	110.87
Guinness Global Fund	110.55
Guinness Growth & Profit Plus	109.55
Schiffel United Asset Alloc	109.25
Grindel Fund	109.25

Fund	Performance
Guinness Atlas Gold	204.51
HSBC CEF Hong Kong Warrant	200.00
Guinness ASF Hong Kong	197.50
Guinness Let's Grow	197.13
Guinness Philippines Fixed Income	182.25
Guinness Perpetual	177.25
Guinness Asian Warrant	177.25
Guinness Global SA	177.25
Guinness Hong Kong Gateway	177.25
Guinness Global Growth	177.25
Guinness Global Growth II	177.25
Guinness Asia Pacific Growth	177.25
Guinness Asia Pacific Growth II	177.25
Guinness Asia Pacific Growth III	177.25
Guinness Asia Pacific Growth IV	177.25
Guinness Asia Pacific Growth V	177.25
Guinness Asia Pacific Growth VI	177.25
Guinness Asia Pacific Growth VII	177.25
Guinness Asia Pacific Growth VIII	177.25
Guinness Asia Pacific Growth IX	177.25
Guinness Asia Pacific Growth X	177.25
Guinness Asia Pacific Growth XI	177.25
Guinness Asia Pacific Growth XII	177.25
Guinness Asia Pacific Growth XIII	177.25
Guinness Asia Pacific Growth XIV	177.25
Guinness Asia Pacific Growth XV	177.25
Guinness Asia Pacific Growth XVI	177.25
Guinness Asia Pacific Growth XVII	177.25
Guinness Asia Pacific Growth XVIII	177.25
Guinness Asia Pacific Growth XIX	177.25
Guinness Asia Pacific Growth XX	177.25

North American Income Fund p.l.c.

DBCC/NAFIN Bond Fund Shares

US\$100,000,000

Deutsche Bank Capital National Financiera

The DBCC/NAFIN Bond Fund Shares represent the best fixed income portfolio to be offered under the aegis of the North American Income Fund p.l.c. Up to 70% of the portfolio is invested in government-backed debt instruments from American issuers. The remainder of the Fund's investments are in high quality bonds of the United States and Canada. The Fund's objective is to seek a return on the investment that exceeds the return on the Treasury bill and the relevant opportunities that will also upon incorporation of the North American Income Fund p.l.c.

TOP FUNDS

North Star Group of Companies option 20 investment funds which have been awarded the Top Fund award by the ICF in 1985, 1987, 1988, 1990 and 1991.

17% p.a. on average since 1984.

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Gaiacorp's Month: 84.87% Dollar Return

THE outstanding feature of this month's best performing mutual fund table is the performance of London-based derivative fund manager Gaiacorp's three funds. The newest of the three funds at the top of the table, Gaia Currency Hedge III, has returned an astounding 84.87 percent in dollar terms over the month to the beginning of August. And that comes after what has been a very bad first half of the year for funds investing in options and futures.

"The performances have been achieved because of the very strong trends seen in the markets in the last couple of months. The computer trading model which we use tends to do well in steady trends and not so well in choppy market conditions," said David Cobbold, managing director of Gaiacorp U.K. Ltd.

"The Gaia Hedge III fund is a very speculative vehicle which is over 30 percent invested in options. You can win or lose money very rapidly with that kind of fund," he added.

The less risky Gaia Hedge II fund, which has a 10 percent commitment to options, shows the pitfalls and potential profits of this type of investing. The fund is three and a half years old, and was a leading performer among mutual funds until it hit a peak around August 1990. It then proceeded to lose over 47 percent in the succeeding 21 months. But Gaiacorp says that from that low the fund has added more than 60 percent since May. Can there be better proof of the validity of the standard investment warning that fund prices can go down as well as up?

Over one year the strength of the Hong Kong market is reflected in the weller of funds that almost totally dominate the best performer list. Over five years another derivatives fund, GNI Spread, outstrips the competition by far. Other sectors showing long term strength include U.S. health and biotechnology stocks. Hong Kong features again, while the anomalous performer is Morgan Grenfell's Smaller Companies fund, which has bucked the downward Japanese trend through scrupulous stock picking.

صكزا بن الاصل

150 من الدولارات

THE MONEY REPORT

West's Slowdown Hits Asian Economies

By Rupert Bruce

ASIA'S young tiger economies and stockmarkets have seemed almost impervious to the woes of their main customers in the West and Japan during the past two years. Recession and weak economic growth overseas have, at worst, taken the edge off economic growth and dampened stock market exuberance. But now a few doubters are questioning how much longer Asia can remain immune.

Smith New Court, the broker, argues that as recession and weak growth among rich countries — Asia's customers — continues, the region's economies must suffer.

The gloomy world backdrop is dampening the outlook for Southeast Asian equity markets. Faltering recovery in the U.S., near recession in Japan and a possible slump in Europe can only have a negative impact on the region's newly industrializing economies. Local equity markets have not taken this possibility into account, wrote Chris Sherwell, the London-based Far East regional strategist, in the broker's latest global strategy note.

In the past Southeast Asia's economies and stock markets have been regarded as immune — that is, plays that exaggerate the moves of the underlying market or security — on the U.S. market. The platitude that when America sneezes the rest of the world catches a cold is something of a truism in the case of Southeast Asia.

When the U.S. economy slowed in the early 1980s, a sharp deceleration in growth in Southeast Asia followed and, in some countries, recession. Datastream's records show that both Hong Kong's Hang Seng Index and Singapore's Straits Times Industrial Index lost roughly half their values in local currency terms, between their 1981 peaks and 1982 troughs.

The contrast today could not be greater. Growth has slowed only marginally in most of the region's economies and the stockmarkets' problems have been more political than economic. In dollar terms, Malaysia's KLSE Composite Index has risen by 11 percent over the

Best Performing Asian Funds



Microplot

year to the beginning of August. Singapore's Straits Times Industrial Index is up five percent and Thailand's SET Index, despite political upheaval, by four percent.

Hong Kong is a special case thanks to the factories that are bustling with activity across the border in southern China. Far from declining, its economy, measured by gross domestic product, grew at a rate of 3.9 percent last year and is forecast to grow at a rate of 5.5 percent this. In dollar terms, the Hang Seng Index rose by 47 percent in the year to the beginning of August.

The solid performance of these markets, combined with Hong Kong's incredible buoyancy, has given the mutual funds that invest in the region a very respectable performance at a time when disappointing equity markets elsewhere are prompting people to turn to bonds. According to financial statistician Microplot, the average offshore fund investing in the Far East, (excluding Japan), rose 13 percent before charges in dollar

early 1980s, and infrastructure investment by both companies and governments.

The government's Economic Planning Unit has compiled figures that show low intra-Asian trade has grown. Some 22 percent of Malaysia's export trade and 16 percent of its import trade was with other ASEAN (Southeast Asian) nations in 1990. These percentages had grown to 26 percent and 23 percent respectively by 1991, according to the planning unit's estimates.

As for property market and inflation excesses, Mr. Churchouse believes both are high in parts of the region. But they have not reached the ridiculous levels seen before.

Contrary to Smith New Court's opinion, Mr. Churchouse feels that Southeast Asia's stock markets are merely reflecting events. "We are seeing these markets trading on the strength of their economies and internal growth and earnings prospects. I think we are seeing a pretty fair reflection of the global economic environment and corporate environment," he said.

He added that Malaysia and Singapore's stock markets are trading on the lowest price earnings multiples seen for many years, indicating that they are cheap. That, along with a possible pickup in OECD economies next year, which would translate into new orders for Asian manufacturers, might suggest these markets were good value, he said.

Mr. Churchouse thought that of the other easily accessible Southeast Asian markets, Hong Kong was due for a pause after its recent rise, while Thailand was still suffering from political uncertainty.

One investor, Jan Kingsett, a director of Schroder Investment Management in London, said that the next year would be crucial. "The real test for the economies is the coming 12 months. If the countries continue to grow at this pace then the stock markets will look cheap compared with Wall Street. If the economies start to wobble then these markets, historically, have been very volatile. If you ought to buy them, if the numbers come in below consensus then this is a very volatile part of the world," he said.

BRIEF CASE

CMI: New Managed Portfolio With 3 Risk Factor Levels

CMI, the international arm of Clerical Medical Investment group, is offering investors a new managed portfolio service. The service is discretionary, which means that the managers make the decisions for the investors, with the objectives of providing long term capital growth. A life insurance contract also provides an investment guarantee if the investor dies.

In an attempt to ensure the needs of dollar and sterling investors are adequately met, CMI has appointed two different investment teams to work out asset allocation strategies for each currency.

There are three basic portfolios on offer, each carrying a different degree of risk. The protected portfolio is designed for the cautious investor who wishes to preserve capital. More risky is the diversified portfolio, which seeks capital appreciation "in line with worldwide market trends." And the enhanced portfolio is aimed at investors who want to take an aggressive stance toward risk and potential growth.

The three portfolios are managed by asset allocation teams from Scudder, Stevens & Clark and Clerical Medical.

If the investor dies the life cover that comes with the service will guarantee the return of the prevailing value of the portfolio, or the original investment (less any withdrawals), if greater.

Investors have the option of taking 10 percent of their investment as income, paid quarterly.

The service is administered from the tax-privileged location of Luxembourg. The assets of the funds in the service are not liable to Luxembourg income tax, although there is a 0.06 percent annual charge on the value of the funds under management.

Minimum investment is \$50,000 or the equivalent in any major currency. The minimum additional investment is \$15,000. There is no maximum investment.

Charges are 6 percent initially and 1.5 percent annually.

For more information, call CMI in London (44 71) 930 5474.

Dividend Reinvestment Plan For Direct Stock Purchase

The tap has opened a little wider on DRIPs, or dividend reinvestment plans, which let investors buy stock directly from companies without paying a commission, and often at prices below the market. A nonprofit organization called the National Association of Investors Corp. is offering a

program called, appropriately enough, the Low-Cost Investment Plan, which allows members to buy shares commission free in more than 100 American companies.

The names include some of the biggest on Wall Street, such as Dow Chemical and AT&T, and some more obscure ones, like Bob Evans Farms.

Participants must begin with a minimum investment equal to the price of one share plus \$10, an NAIC spokesman said. There is also a \$5 setup charge for each company. They can then contribute whatever they feel like, as long as they stay within the constraints set by each company. The NAIC recommends that contributions be made monthly or quarterly.

DRIPs are attracting increasing attention because they cut out the middleman — and his fee — and they allow savers to buy small parcels of stock that would otherwise not be cost effective. Unlike some DRIP programs, this one does not force investors to acquire their initial shares through a broker.

There is one catch, however: Those who want to take part must pay \$32 a year for membership in the NAIC. But for that sum they will receive the monthly magazine Better Investing and the association's Investor Manual. Foreign residents as well as those living in the United States are eligible, the spokesman said.

For more information, write to P.O. Box 220, Royal Oak, MI 48068, USA.

Investment Service Finds New Interest in Latin Debt

Once shunned as too risky an investment by all but the most intrepid, Latin American debt is suddenly looking to yield-starved U.S. investors.

For those of a mind to reconsider, Scudder, Stevens & Clark, the Boston-based fund group, has just launched the Latin America Dollar Income Fund. The \$80 million vehicle, which will invest in sovereign and corporate debt in Argentina, Brazil, Mexico and Venezuela, is only in the initial investing stages. But Peter Monaco, the portfolio manager, said: "It's safe to say that Mexico's bonds are yielding 200 basis points (2 percent) over U.S. Treasuries, and Brazil can be as much as 700 basis points (7 percent) more."

The fund will hold a maximum of 85 percent of its assets in dollar-denominated bonds, of which 65 percent must be in sovereign, or government, debt. The other 15 percent can be in a local currency such as Mexican corporate debt in pesos, said Mr. Monaco.

As for the risk factor, the portfolio manager said that prospective investors should not be scared off by the wild swings in, for

example, the Brazilian stock market. "In contrast to the extraordinary volatility in Latin America's equity markets, dollar-denominated debt typically has not been volatile," he said. Mr. Monaco added that the Sovereign fund has been less volatile than intermediate U.S. Treasuries since its inception three years ago.

The closed-end Latin American Dollar Income Fund is listed on the New York Stock Exchange, currently selling at around \$15 per share. In the United States, the fund is available through brokers. Investors in Europe, Asia and elsewhere may obtain more information through their local Merrill Lynch office.

NatWest Publishes Guide To Moving Currency In EC

National Westminster Bank, one of the biggest in Britain, has published a guide to moving money from European countries. National Westminster claims to be the first European bank to publish a brochure that meets the European Community's guidelines, as set out in EC's March 1992 review of cross-border payments.

The brochure deals with issues such as the amount of time a given transaction should take, the costs which should be expected for different transactions, and the risks and reliability of various methods of transfer. There is also a glossary of banking terms.

Trevor Blackler, the general manager of operations for National Westminster's U.K. branches, estimates that more than 200 million retail money transfers take place within the EC each year. The brochure is designed to give "straightforward advice to the reader, whether sending a birthday present to an aunt in Italy, buying a gift in Germany, or simply wanting the quickest way to credit an account from abroad."

From Ernst & Young, Guide To 2d-Home Complications

In the United States, owning a second home can bring tax complications — particularly if you take rental income from it for more than 14 days a year.

The complex tax regulations concerning rental and use of a second home are discussed in the latest edition of Ernst & Young's financial planning newsletter. Other topics include funding the rising cost of a college education.

Copies of the newsletter, which costs \$96 per annum for six issues, can be obtained by writing Ernst & Young Financial Planning Report, P.O. Box 33377, Washington, D.C. 20033-0377.

ADVERTISEMENT

INTERNATIONAL FUNDS

Questions supplied by funds listed, and asset values and performance are as stated by the Funds listed with the exception of some values based on interim figures.

The standard industry definition of quarters supplied: (1) = daily; (2) = weekly; (3) = bi-monthly; (4) = quarterly; (5) = tri-monthly; (6) = semi-annually; (7) = annually

A large table listing various international funds, their asset values, and performance metrics. The table is organized into columns and rows, with fund names in the first column and numerical values in subsequent columns. The funds listed include a wide variety of international equity and bond funds, such as the CIBC World Market Fund, the Fidelity International Fund, and the Vanguard International Equity Fund. The table provides a comprehensive overview of the performance of these funds over different periods.

SPORTS BASEBALL

Montreal Rally Denies Braves' Hopes of Sweep

The Associated Press
MONTREAL — The Atlanta Braves were three outs away from their 21st shutout of the season and a seven-game lead in the National League West when everything went wrong.

Slow-footed Tim Lincecum hit a game-tying double in the ninth and then scored from second base on a ground ball to third as the Montreal Expos rallied to defeat the Braves 3-2 Thursday night at Olympic Stadium.

Despite the loss, Atlanta has a six-game lead over Cincinnati in the West. The Expos, which dropped the first two games of the series, snapped a four-game losing streak and stayed four games in back of Pittsburgh in the NL East.

Marquis Grissom and Larry Walker opened the Expos' ninth with singles. Alejandro Pena relieved Steve Avery and Moises Alou's sacrifice moved the runners to second and third.

Wallach's double over the head of center fielder Deion Sanders scored two runs, tying the game.

"I wasn't surprised he was playing shallow in because he has the speed and wanted to be able to throw a runner out at the plate," Wallach said.

Pena then walked John Vander Wal intentionally and struck out pinch-hitter Darren Br Fletcher. Wil Cordero hit a slow grounder to third and beat third baseman Mark Lemke's throw to first. Wallach, shocking everyone, scored all the way from second when he just beat Brian Hunter's throw to the plate.

"I just saw the situation and went for it," Wallach said. "I knew there was a left-handed first baseman and that the play would be close."

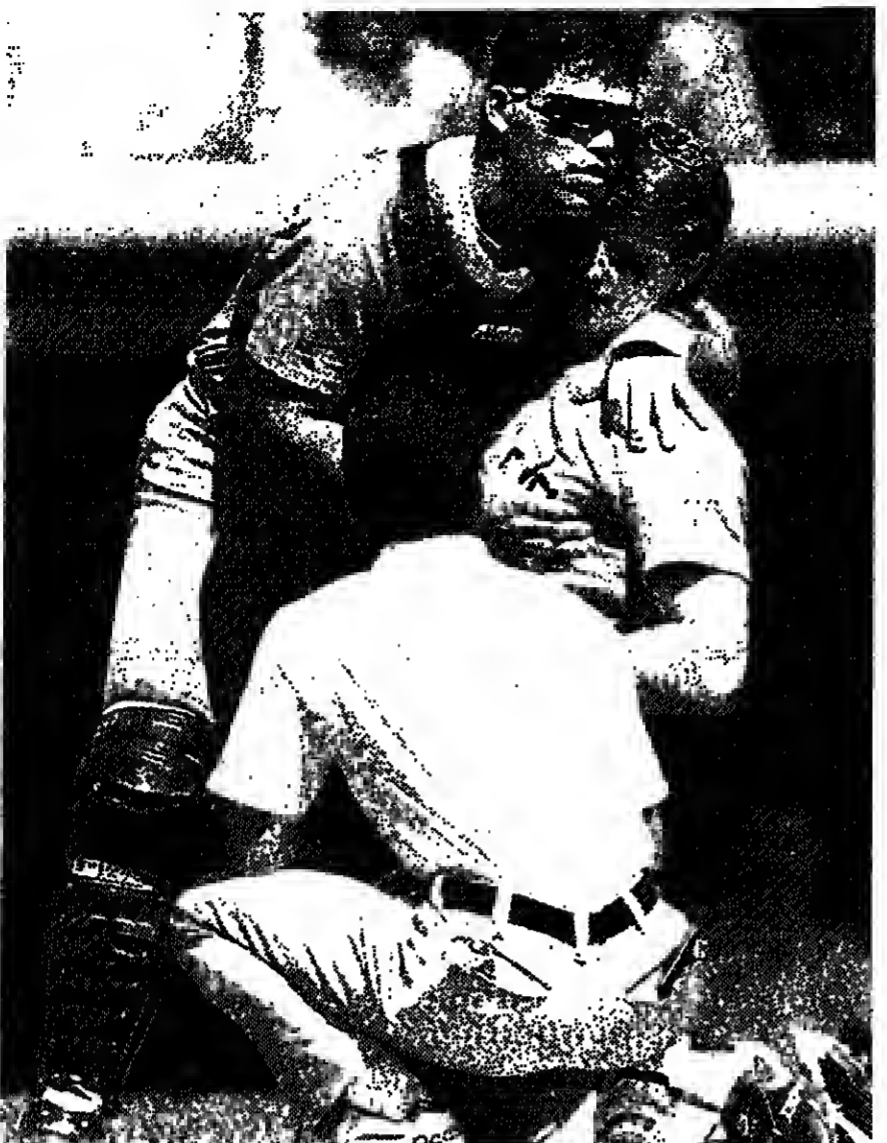
Plates 7, Futures 1: Danny Jackson gave up five hits in seven innings and Lloyd McClendon pitched as Pittsburgh won at home to complete a three-game sweep of San Diego. The Padres lost their fifth straight.

Cubs 6, Giants 5: Andre Dawson drove in four runs with a pair of two-out hits and Jose Vizcaino tripled twice and drove in Chicago's other two runs as the Cubs held off the Giants 6-5 in San Francisco.

The Giants scored twice in the ninth before pinch hitter Mike Felder popped up with runners on first and third to end the game. Felder was batting in Will Clark's spot after Clark was ejected in the eighth for arguing a play at first.

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Mets 11, Dodgers 4: Bobby Bonilla and Mackey Sasser helped pull New York out of a scoring drought with consecutive homers during a four-run fourth as the Mets ended a five-game losing streak with a win in Los Angeles.



Texas third baseman Dean Palmer, after hurting a muscle in trying to throw out a runner.

Brewers Romp Again to Close in on Jays

The Associated Press
MILWAUKEE — They were a punchless, struggling baseball team with only four runs in four games. Then suddenly the Milwaukee Brewers went out and scored 26 times in two victories over the Toronto Blue Jays.

Robin Yount, trying to close in on 3,000 hits, singled, doubled and

The Brewers, beaten 12-1 by the Blue Jays in the series opener, rebounded with a 10-5 victory Wednesday and then had a season-high 10 extra-base hits Thursday to rout the Blue Jays again.

Yount, who entered the game in a 1-for-33 slump, had his first three-hit game in two months, leaving him 23 shy of becoming the 17th major league player to reach 3,000 hits.

"I don't remember the last time I did that," Yount said. "If you keep the ball in play, eventually the ball will fall in."

Toronto manager Cito Gaston left starter David Wells in to absorb some cruel and unusual punishment. In 4 1/2 innings, the left-hander gave up 11 hits and 13 earned runs.

Orioles 2, Mariners 1: Brady Anderson tripled to lead off the 10th inning and Mike Devereaux followed with a sacrifice fly as Baltimore snapped a four-game losing streak to beat Seattle at home.

Rangers 6, White Sox 1: In Chicago, rookie Roger Pavlik earned his first major league victory, coming within one strike of a shutout, as Texas beat Chicago.

Juan Gonzalez and Rafael Palmeiro homered as the Rangers ended a five-game losing streak.

Athletics 8, Yankees 6: Jose Canseco hit a grand slam in the seventh inning and Carney Lansford hit a three-run homer in the ninth as the Oakland Athletics rallied to win in New York.

Yankees rookie Sam Miltello sparked again, pitching four-hit ball for 6 1/2 innings and striking out 10, but his bullpen let him down. He left with a 6-1 lead in the seventh and the bases loaded, but John Habyan gave up Canseco's fourth career grand slam.

Indians 2, Twins 1: Paul Sorrento doubled home the winning run with one out in the 10th inning and Cleveland beat Minnesota for a three-game sweep at home.

The Indians managed just three hits, including two by Sorrento, and still sent the Twins to their season-worst fifth straight loss.

Angels 2, Red Sox 0: Bert Blyleven allowed three hits in 6 1/2 innings for his 28th career victory, and four pitchers combined to give California a shutout in Boston.

AMERICAN LEAGUE

triple as the Brewers pounded Toronto 16-3 Thursday in their biggest scoring game of the season.

"Hitting is contagious," Brewers manager Phil Garner said after Milwaukee took two of three from Toronto to move within 4 1/2 games of the American League East lead.

Angel Manager on Mend, but Team Ails

By Michael Martinez
New York Times Service

YORBA LINDA, California — It seemed like a good time for a celebration.

Buck Rodgers was turning 54, he was feeling better every day and he was with his family, enjoying a bright summer day near the pool.

But last Sunday, Rodgers — the California Angels' manager who is still mending from injuries he suffered in a team bus accident May 21 — sat in front of a television set and watched his team lose in the ninth inning to the Oakland Athletics.

But it hasn't prevented him from talking about his planned return.

"I'll have a little bit of a limp," he said, "and I won't be able to run out after an umpire. My right arm is not going to be right yet, but my legs will be where I can walk to the mound or walk around before the game and do my job."

Rodgers has missed it. Listening to the games on radio or watching them on television makes it easier, but he still feels cut off from the team, so distant from his players now that he doesn't even speak with John Wathan, the interim manager, on a daily basis.

Angels' traveling secretary, Frank Sims, standing in the aisle and shouting his concern.

"I looked over my shoulder at him, and he was standing up in the aisle screaming," Rodgers said. "I looked straight ahead and could see we were going down a hill. The driver just lost it around the curve. Then all I could see was spotlights on trees. The limbs started breaking the shatter-proof windshield and pieces of glass were coming back at me. That's when I thought I'd better get down, and just as I did a limb came through the window."

Rodgers was sitting in the first seat on the right side of the bus, as most managers do, and said he slid immediately to the floor, behind a barrier that shields the swinging door of the bus. But his left leg was exposed.

"When we hit the final tree and crashed," he said, "my elbow, wrist and my two ribs were crushed in. And then a limb or something came through and hit my leg. I got hit on the head and just barely ducked and got an abrasion on my forehead."

Rodgers spent two and a half weeks in the hospital. The Angels, struggling at the time, never quite righted themselves.

From May 15 through June 10, they were 4-30, falling from two games out of first place in the American League West to 1 1/2 behind and into last place. In late June, beset by injuries, they began an 11-game losing streak.

Sitting at home while his team faltered didn't make the recovery time easy for Rodgers.

"I felt the worst when the team was going bad," he said. "I felt that either physically or mentally that I was partially responsible and that only I could get them out of it. A lot of my players helped me out of that bus, and in some cases put their lives on the line. Some of them thought I was dead, so it was traumatic as they were taking me out. I know it was mentally tough on them."

NATIONAL LEAGUE

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Yeltsin Promises Athletic Rewards

Agence France-Press
MOSCOW — President Boris N. Yeltsin has promised greater rewards for Russia's Olympic athletes in the future.

He also announced that henceforth they would represent Russia, rather than the Unified Team, at all international events "with your own flag and your own anthem."

Yeltsin addressed the athletes at a reception here Thursday, which was also attended by Juan Antonio Samaranch, president of the International Olympic Committee.

Russia's athletes won the majority of the medals for the Unified Team, which represented

ed former Soviet republics in Barcelona.

"I how to you because not only did you win the most medals but also because by your great triumph, you improved the morale of all Russia and gave more faith to the people and hope for a better future," Yeltsin said.

"I know that for compensation, you have received less in material goods than athletes in Western countries, but I promise you that this will be the last time."

Samaranch, who noted that Yeltsin made the decision on the creation of a Unified Team for the Games, said he would recommend he receive the IOC's gold Olympic Order.

BOOKS

OPEN DOORS AND THREE NOVELLAS

By Leonardo Sciascia. Translated by Marie Evans, Joseph Farrell and Sacha Rabinovitch. 293 pages. \$21. Alfred A. Knopf Inc., 201 East 50th Street, New York, New York 10022.

Reviewed by Herbert Mitgang

MORE so than in any of Leonardo Sciascia's previous metaphysical mysteries, the shadow of Luigi Pirandello, his fellow Sicilian who was a Nobel laureate in literature, hovers over "Open Doors and Three Novellas," his latest, and perhaps last, work to be translated in the United States. Admirers of Sciascia's stories will find that his writing grew darker and more complex, as if he wanted to make a final statement about his main concerns: political corruption, class distinctions, injustice and the oppression of church and state.

Like Pirandello, Sciascia, who died in 1989, blended illusion and reality in his metaphysics as well as in his fiction. He used biblical castes as takeoff points for philosophical meditations in short novels like "Mafia Vendetta," "A Man's Blessing" and "Equal Danger." Probably the best introduction to his work are the stories in "The Wine-Dark Sea." One of his most controversial books, "The Moro Affair," is about the 1978 kidnapping and murder of a former Italian prime minister, Aldo

Moro, by the Red Brigades, left an impression that Rome's centrist leaders had failed to save Moro because he was useful as a symbol of the left's violence. Sciascia himself had once been elected to Parliament as a representative of the Radical party.

In his previous writings — which openly condemned the deprivations of the Mafia in his native land — Sciascia somehow always managed to find flowers blooming in the island's caecus. But in "Open Doors," he broods about the hypocrisy of justice during the Fascist era. Some Sicilians donned black shirts even though they realized that Mussolini was only another dictator, like the conquerors and viceroys in past centuries who tried to reform and dominate them. The time is 1937, when there was growing unease about Mussolini's support for Franco's Fascists in Spain and the Rome-Berlin Axis.

The title story, "Open Doors," looks behind the duel between a prosecutor and a Sicilian judge in Palermo who refuses to impose the death penalty in a murder trial. The Fascist government, which reintroduced executions to maintain law and order, is putting pressure on the courts to serve as another cog in the state's corporate structure. Sciascia is not just writing about 1937; he openly makes reference to 1987, the year he wrote the story, thus introducing an element of movement between fictional and real time.

The other stories in "Open Doors" are what the author called *racconti-inchieste*, or investigative tales. In "Death and the Knight," a deputy police chief investigates the murder of a high-salary lawyer linked to an influential company named United Industries. In "A Straightforward Tale," another police deputy suspects that what his superior rules is a clear-cut case of suicide, isn't. The unnamed villains of the story are Sicily's drug dealers and the network of institutions that profit by their corruption.

Thematically and stylistically, the most accessible story in the book is "1912+1." Although based on an actual case, the plot of "1912+1" reads like a libretto; at heart, it's a love triangle that turns into a murder and courtroom trial.

Why did the Contessa Tiepolo (yes, she claimed to be a descendant of the Venetian painter) shoot her husband's handsome young orderly? If the Contessa barely knew the orderly and had spurned his advances, how was he able to obtain her photograph and a lock of her hair, which he wore as a pendant? Nobody took the Contessa's explanation seriously, that it was a lock of her son's hair. The prosecution concentrated on the passion of a beautiful woman of 35, married for 12 years, who had experienced the attractions of a passionate youth of 22. But in an operative country, it was impossible to overcome her main defense, summed up in a headline in *Il Messaggero* of Rome: "To Protect Her Honor."

Herbert Mitgang is on the staff of The New York Times.

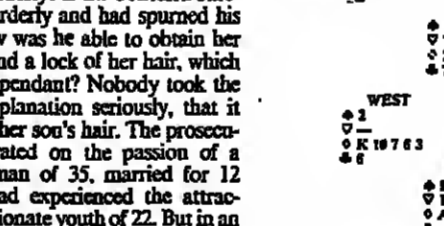
BRIDGE

By Alan Truscott

ON the diagrammed deal, South received considerable help from the defense and made 10 tricks, which was just as well since her partner, as shown, had stretched his values considerably to reach the game.

West led the spade ace and shifted to the club nine. Dummy played low, and when East won with the ten he continued with the ace, a clear blunder: it was most unlikely that his partner was short in clubs, and if he were, that suit could wait.

South ruffed and was now somewhat nearer 10 tricks. She led the heart jack and won with the ace when West played the king. The heart eight was now finessed, forcing the queen, and a club return was won in the dummy to reach this ending:



South needed the heart ten as an entry to her hand, so she did not draw the last trump. Instead she led to the diamond ace and played the jack. West did not cover, but it made no difference: The club loser disappeared from the dummy and the game was made.

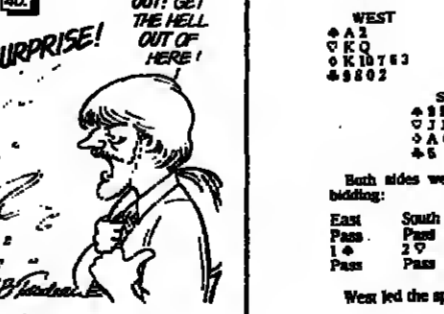
DOONESBURY



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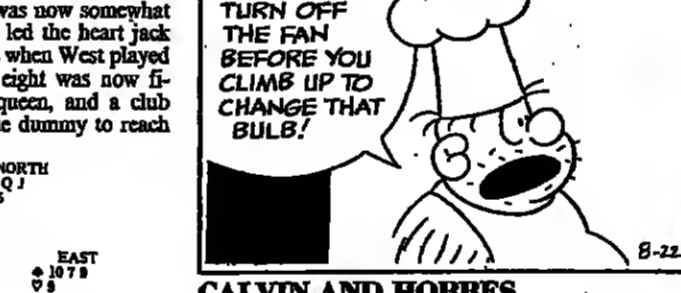
WIZARD of ID



PEANUTS



BETLE BAILEY



CALVIN AND HOBBES



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

THAT SCRAMBLED WORD GAME

Unscramble these four jumbles. One letter in each square, to form four ordinary words.

DEWEG

ANSPY

LEHBE

TROIGE

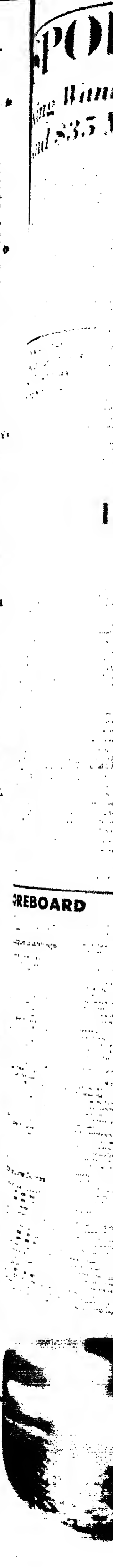
Print answer here: _____

Yesterday's Jumbles: BEGUN QUANT LEGACY TWIGLE
 Answer: What pair got when they put them in this new sweater — A LITTLE "BUGGY"

REBOARD



Garfield



SPORTS RUGBY

King Wants Love, And \$35 Million

The Associated Press
NEW YORK — For his 61st birthday, promoter Don King said he does not want much. "My wish," King said softly, "is that we love one another, that we put aside hostility and divisiveness."
 Then he used heavyweight Razor Ruddock for \$35 million.
 Business, after all, is business.
 According to the suit filed in federal court, Ruddock had the temerity to walk out on a contract with the self-described world's greatest promoter, signing to fight Lennox Lewis Oct. 31.
 "The most stupid move in the history of boxing," King said

'I took the guy from the point of a loser. I can make losing winning.'

Thursday. "Absolutely and abjectly stupid. They are stupid for fighting an elimination when they should be fighting for the title. Each should have a title shot, not be fighting each other."
 Worst of all, they are fighting each other and King has no piece of the action. If his hold on Ruddock is legitimate — "two more years plus an option to extend if Ruddock becomes champion," according to attorney Bob Hirth — why not block the Lewis fight?

"I'm not interested in stopping a fight," King said. "I'm interested in putting fights on. I just don't think Razor Ruddock should be able to freely arbitrate a contract with me. He signed an agreement. This is a kick in the pants."
 "I took the guy from the point of a loser. Razor Ruddock lost twice to Mike Tyson. I made him bigger after that. When Tyson lost to Buster Douglas, I made him bigger. I can make losing winning."
 Now THAT's a promoter.
 Tyson missed the birthday party with a previous engagement in Indiana. That did not deter King, who has abandoned the heavyweights — for the moment, at least — to promote the Sept. 12 super lightweight fight between Julio Cesar Chavez and Hector "Macho" Camacho in Las Vegas. The closed circuit bout has sold out the 19,000-seat Thomas and Mack Center.

"The fight sold out so fast, there was no chance to get the billboards up," King said. "I've got the best promotion of the decade going right now."
 Aided with that, the promoter commenced to promote.
 "This is the biggest event in mankind — at 140 pounds," he said. "Chavez is a doctor of fisicuffs. He dissects you to the cranial and cardiovascular system. Camacho has speed. He turns off the light and is in bed before the room is dark."
 "In Mexico, they have told Cha-

vez, 'We love you, but if you lose, don't come back.' The same for Camacho with the New Yorkers."
 King explained that the demise of the heavyweights — he made his name with Muhammad Ali, Larry Holmes and Tyson — would not interfere with him.
 "I am like a cork in the ocean that goes down and bounces up," he said. "I'm very resourceful and resilient, second to none. I am buoyant. I stay afloat."
 On and on, the birthday man went, uninterested for minutes, citing among others, Pancho Villa, Emiliano Zapata, Ulysses, Homer, Excalibur and Merlin the magician.
 He wowed the crowd with his account of venturing into Mexico to lure Chavez back to the fold after the fighter had drifted into the clutches of rival promoter Bob Arum. "We renewed our vows to undo the treachery that was afoot," was the way King put it.
 The promoter shrugged off suggestions that somehow Chavez-Camacho might not come off, the guaranteed \$3 million purse for each fighter notwithstanding.
 "Others have tried and failed," he said. "Don King made it happen."
 Then, almost in a stage whisper, he added, "I signed it before and it didn't happen."



Naas Botha, captain of South Africa's rugby team, posing with children during a practice session in a black township outside Cape Town.

Springboks Visit Black Township in 'Goodwill Gesture'

Compiled by Our Staff From Dispatches
NYANGA, South Africa — Scores of enthusiastic black rugby supporters mobbed the Springboks when the South African team came to practice in this township near Cape Town on Friday.
 Springboks manager Ahe Malan decided to move the team's final practice before Saturday's test match against Australia to the township "as a gesture of goodwill" following the controversy earlier this week over the behavior of white supporters at last weekend's test match against the New Zealand All Blacks.
 The virtually all-white crowd at that match sang the national anthem, which blacks consider a hymn to apartheid, at a time when there was to have been a minute of silence for the country's victims of violence.
 "Rugby has been dominated by whites," coach John Williams said. "I hope this practice will do a lot for rugby and the situation in South Africa."
 It was the first time a South African rugby team had visited a black township en masse, although individual players such as Springbok captain Naas Botha and Danie Gerber have conducted coaching sessions in the past.
 The supporters, some carrying welcoming placards, surrounded the squad — primarily composed of Afrikaners — as they stepped off their bus, asking for autographs and shouting slogans of support.
 "It just proves that we are all equal and we're not better than anyone else," said Botha, who was given the largest cheer on arrival.
 Asked if he expected such a warm welcome given the current tense political situation, Botha replied: "No, I'm not really surprised. We're all South Africans, you know."
 The Springboks drew up at the ground in a luxury coach behind an armored personnel carrier, watched by residents of corrugated iron shacks next to the road.
 They trained for around an hour on a windswept field, separated from the adjoining residential areas by a grey wall topped with barbed wire.
 The practice site was symbolic as the rugby field commemorates heroes of the African National Congress. Supporters said several ANC members who were killed during the course of the struggle against

white rule were buried under the field.
 Meanwhile, the ANC-aligned National and Olympic Sports Congress said it had called off planned demonstrations Saturday.
 Speaking on state-owned radio, spokeswoman Cheryl Roberts said the group took the decision because of the "very real danger of violent clashes between protestors and rugby fans." (AP; Reuters)

Mark Eludes Kiptanui, Christie Wins

Compiled by Our Staff From Dispatches
BERLIN — Moses Kiptanui failed in his attempt to break a third world record this week, Linford Christie kept his Olympic form to win the 100 meters and Frankie Fredericks pulled away from Mike Marsh and Carl Lewis over 200 meters at a grand prix athletics meeting here Friday.
 Kiptanui won the rarely run 2,000 meters, but his time of 4 minutes, 52.53 seconds was nearly two seconds off Said Aouita's world mark of 4:50.81.
 The Kenyan smashed the 3,000 meter record in Zurich Wednesday after breaking the 3,000-meter record Sunday.
 Christie and Lewis stayed away from each other with Christie, the Olympic champion, posting an impressive win with a time of 9.99 seconds. American Leroy Burrell was second in 10.04, and Canada's Bruny Surin was third in 10.15.
 Lewis, who missed the 100 meters in Barcelona because of illness during the U.S. trials, said before the meet that he wanted to switch to the 100 to confront Christie, but he stuck with his originally scheduled 200. He finished third in 20.16, Fredericks of Namibia won in 20.01 and Marsh followed in 20.14, reversing their order in Barcelona.
 "The most important thing for me was not to fall too far behind Marsh and Lewis after the first half," Fredericks said. (Reuters, AP)

Lendl: Power and Willpower

By Alison Muscatine
Washington Post Service
NEW HAVEN, Connecticut — Slump, you say. What slump?
 Ivan Lendl has excised the word from his mind. There is no room for negative thoughts, no reason to dwell on the state of his 32-year-old body.
 After all, he still has discipline, his drive, his love of tennis to keep him going. Never mind two operations last year to remove masses of tissue from his playing hand. Or the nagging tendon in his leg. Or that, to avoid back pain, he no longer walks the course when he plays golf and no longer jogs as part of his conditioning.
 "The rest of me is in pretty good shape," he said. So it seems, Lendl's body may no longer be iron, but his will certainly is. After a 10-year stint in the top three — and a record 270 weeks at No. 1 — he is slowly emerging from the worst slump in his 14-year career. "You just have to be patient," he said. "You just have to know what you're capable of and try to be objective about it. You can't worry about it. Injuries are something you can't do anything about."
 His optimism is noble, particularly because most of his contemporaries are on the sidelines or talking about retirement. Because of his health longevity, Lendl stands to be lumped together with John McEnroe, one of the few thirtysomethings who remain.
 McEnroe, 33, is ranked No. 17 and has repeatedly mentioned cutting back after this year.
 "If McEnroe is ready to call it quits, Lendl must be ready too. Or so the thinking goes. "I wouldn't hold my breath if I were you," Lendl said.
 Especially not now, when tennis is really beginning to be fun again. In the last month, the Czech-born naturalized U.S. citizen has advanced to two prestigious finals — in Toronto and Cincinnati — and his ranking has made a U-turn back into the top 10 for the

first time since April. After plummeting to a low of No. 12, Lendl is comfortably at No. 7.
 "He is playing the best I've seen him play in over a year," said McEnroe, who lost to him in the quarterfinals in Toronto. "The fact that he is still up where he is is pretty amazing."
 For the moment, Lendl's goals are short-term and, he said, realistic. "I think I'm capable of playing good tennis. I think I can threaten any tournament. You can't expect good results too quickly. You have to expect them over a longer time, and then it's more satisfying anyway."
 Ask his peers about him, and there is a consensus: Lendl is still a danger to every player ranked above him.
 "He still hits the ball as hard, or harder, than anybody," Pete Sampras said recently.
 Stefan Edberg, now 26 and still clinging to No. 2, said he doubts Lendl will win a ninth Grand Slam title but that it is not impossible. "He's not the greatest talent, but he's a hard-working man," Edberg said. "He still has a chance to be among the top players."
 Lendl has not won a tournament in a year, let alone a Grand Slam title, his last of which came in Australia two and a half years ago. But, back willing and hand willing, he thinks his future is still bright.
 "I've been washed up," he said. "That's the bottom line."
Lendl Advances, McEnroe Fined
 Lendl advanced to the quarterfinals of the Volvo International tennis championship while McEnroe narrowly escaped elimination, and picked up a \$3,000 fine, news agencies reported from New Haven.
 Lendl, the fifth seed, out-hit hard-serving Shuzo Matsuoka of Japan, 6-3, 6-4, on Thursday.
 Two points from elimination at 4-5 in the third set, McEnroe rallied for a 6-7, 7-5, 7-6 win over Thierry Guardiola. He was fined for pushing over a TV camera in the first-set tiebreaker. (Reuters, AFP, AP)



Ivan Lendl hitting a forehand in his victory over Shuzo Matsuoka.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE		East Division		West Division	
Team	W-L	Team	W-L	Team	W-L
Toronto	75-51	Seattle	67-57	Oakland	72-48
Baltimore	67-54	Minnesota	65-59	Chicago	64-56
Los Angeles	65-56	San Diego	64-57	St. Louis	64-56
Chicago	58-63	Philadelphia	57-64	Texas	55-65
Cleveland	54-65	New York	52-68	California	52-67
San Francisco	52-68	Seattle	47-73	Seattle	47-73

Thursday's Line Scores

Team	Score	Team	Score
Seattle	8-1	San Diego	5-1
Baltimore	7-0	Philadelphia	4-1
Fisher, Swan (7), Nelson (5), Schoeller (10) and Parrish; Satchell, S. Davis (1) and Holter.		W. Davis, S.L. Schoeller, L.A. (1) and Holter.	

Japanese Baseball

Team	W-L	Team	W-L
Yokohama	53-39	Yokohama	53-39
Yokohama	53-39	Yokohama	53-39

CRICKET

Team	Score	Team	Score
Australia	255	Australia	255

TRANSACTIONS

BASEBALL
CALIFORNIA — Called up Tim Lincecum, outfielder, from Edmonds. Pacific Coast League. Volved from Horvath, outfielder.
TORONTO — Pul Randy Knorr, catcher, on 15-day disabled list. Recalled David Weathers, pitcher, from Syracuse, International League.
NATIONAL LEAGUE
FLORIDA — Signed catcher with WCAGAA to replace Scotty Hennig as backup catcher in 1993 and 1994 with option through 1996.
N.Y. METS — Signed Preston Wilson, third baseman-outfielder, to minor league contract.
FOOTBALL
National Football League
N.Y. JETS — Waived Don Bowd Odebrecht, defensive back, from waived unable to re-sign.
PITTSBURGH — Waived John Miles, punter; Robert Drummond and Gerry Collins, running backs; Anthony Black, defensive end; and Derrick Thomas, linebacker. Agreed to terms with

SIDELINES

Borg Is Sued Over Business Debts

STOCKHOLM (Reuters) — Eleven Swedish companies are suing former tennis star Bjorn Borg for debts of about 4 million kronor (\$755,000) incurred by his now-defunct fashion and design business, court officials said Friday.
 Borg, 36, contests the claims, saying he did not personally guarantee the debts and is "now or less bankrupt."
 In a second lawsuit, former business associate Lars Skarke has begun proceedings against Borg claiming \$80 million in damages arising out of the collapse of the business group.

Rangers Said to Seek to Trade Sierra

DALLAS (AP) — The Texas Rangers reportedly have put themselves in position to trade outfielder Ruben Sierra before this season ends.
 The Dallas Morning News on Friday quoted two unidentified major league officials saying the Rangers had indicated a willingness to trade Sierra, and another official said the club obtained waivers needed to trade the slugger.

Australia Upsets Canada in Baseball

MONTERREY, Mexico (AP) — Australia pulled the first surprise of the World Junior Baseball Championships by upsetting defending champion Canada, 4-3.
 The Australians were led by the pitching of Anders Opray on the first day of competition Thursday. Opray allowed only six hits in the seven-inning victory over Canada's juniors, who won the last tournament in Brandon, Canada.

For The Record

The Washington Redskins waived short-yardage running back Gerald Riggs. Riggs scored 11 touchdowns during the 1991 season and ranks 13th on the all-time NFL list with 8,188 rushing yards. (AP)
 Katrina Krabbe, the double world sprint champion who has admitted to taking a banned stimulant, lost her last sponsor when German hairdryer maker Goldwell AG said it would stop paying Krabbe until their contract expires in 1993. (Reuters)

Quotable

• Rick Fox, Boston Celtic forward, on Larry Bird's retirement: "I knew it was raining in Boston for three days for some reason."

Get your point across in no time.

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BAYERN	800-001	GERMANY**	030-010	NETHERLANDS	060-10	SAUDI ARABIA	1-800-121
BELGIUM	078-11-000	GREECE	010-010	SPAIN	900-298	SWITZERLAND	000-69-02-11
CZECHOSLOVAKIA	00-450-0001	HUNGARY	000-800-1311	SWEDEN	000-795-011	UNITED KINGDOM	000-49-011
DENMARK	8001-000	IRELAND	000-800-0111	NETHERLANDS	080-022-9111	TURKEY	900-500-2277
EGYPT (Cairo)	910-0200	ISRAEL	077-000-2727	POLAND**	0000-480-0111	UNITED STATES	800-49-0111
FINLAND	800-000-01	JAPAN	077-000-2727	ROMANIA**	0000-480-0111		

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